TRONOX INC
Form S-4/A
April 23, 2012
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As filed with the Securities and Exchange Commission on April 20, 2012

No. 333-178835

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 3

to

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

TRONOX LIMITED

(ACN 153 348 111)

TRONOX INCORPORATED

(Exact name of registrant as specified in its charter)

	2810	**98-1026700**
Western Australia, Australia **(State or other jurisdiction of incorporation or organization)**	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification No.)**
Delaware **(State or other jurisdiction of incorporation or organization)**	**2810** **(Primary Standard Industrial Classification Code Number)**	**20-2868245** **(I.R.S. Employer Identification No.)**

3301 N.W. 150th Street

Oklahoma City, Oklahoma 73134

(405) 775-5000

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

Michael Foster

General Counsel

3301 N.W. 150th Street

Oklahoma City, Oklahoma 73134

(405) 775-5000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies of all communications, including communications sent to agent for service, should be sent to:

Daniel E. Wolf

Christian O. Nagler

Kirkland & Ellis LLP

601 Lexington Avenue

New York, New York 10022

(212) 446-4800

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effectiveness of this registration statement and the satisfaction or waiver of all other conditions to the closing of the Transaction described herein.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	¨	Accelerated filer	¨
Non-accelerated filer	x (Do not check if a smaller reporting company)	Smaller reporting company	¨

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this Transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Takeover offer) ¨

Exchange Act Rule 14d-1(d) (Cross-Border Issuer Takeover offer) ¨

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Offering Price	Amount of Registration Fee[1]
Class A ordinary shares issued by Tronox Limited (Class A Shares)	16,445,827 shares	Not Applicable	$2,960,248,860[3]	$339,244.52[4]
Exchangeable Shares, par value $0.01, issued by Tronox Incorporated (Exchangeable Shares) and exchangeable on a one for one basis into Class A Shares	2,285,792 shares	Not Applicable	Not Applicable[3]	Not Applicable[3]
Class A Shares issuable upon exchange of the Exchangeable Shares	(2)	(2)	(2)	(2)

(1) The registration fee has been calculated pursuant to Rule 457(f) under the Securities Act of 1933, as amended.

(2) The Class A Shares that are being registered include such indeterminate number of Class A Shares, if any, that may be issued upon exchange of the Exchangeable Shares registered hereunder, which Class A Shares are not subject to an additional fee pursuant to Rule 457(i) of the Securities Act. Pursuant to Rule 416 under the Securities Act, such number of Class A Shares registered hereby shall include an indeterminate number of Class A Shares that may be issued in connection with the anti-dilution provisions or stock splits, stock dividends, recapitalizations or similar events.

(3) Pursuant to Rule 457(c) and Rule 457(f) under the Securities Act, and solely for the purpose of calculating the registration fee, the market value of the securities to be exchanged was calculated as the product of (i) 16,445,827 shares of Tronox Incorporated common stock (including all outstanding shares of Tronox Incorporated and shares for which warrants to purchase shares are outstanding), which reflects the maximum amount of shares of Tronox Incorporated to be exchanged for Class A Shares or Exchangeable Shares in Tronox Incorporated and (ii) the average of the high and low sales prices of shares of Tronox Incorporated common stock reported on the Pink Sheets on April 18, 2012. A separate fee has not been paid for the offering of the Exchangeable Shares as any Exchangeable Shares issued will reduce the amount of Class A Shares to be issued.

(4) Includes $314,348.64 previously paid.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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Explanatory Note

This is a joint registration statement of Tronox Limited and Tronox Incorporated. Tronox Limited is offering Class A Shares. Tronox Incorporated is offering Exchangeable Shares.

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Information contained in this proxy statement/prospectus is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This proxy statement/prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale is not permitted.

PRELIMINARY, SUBJECT TO COMPLETION, DATED APRIL 20, 2012

TRANSACTION PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Stockholders:

The board of directors of Tronox Incorporated and the board of directors of Exxaro Resources Limited, which we refer to as Exxaro, have agreed to combine Exxaro s mineral sands business, which we refer to as Exxaro Mineral Sands, with the existing business of Tronox Incorporated under a new Australian holding company, Tronox Limited, pursuant to the terms of a Transaction Agreement dated September 25, 2011, as amended and restated on April 20, 2012, which we refer to as the Transaction Agreement.

The Transaction Agreement provides that Tronox Incorporated will participate in two mergers, which we refer to as the Mergers, as a result of which it will become a subsidiary of Tronox Limited. In the Mergers, each share of Tronox Incorporated common stock will be converted into, at the holder s election, either (i) one Class A ordinary share in Tronox Limited, which we refer to as a Class A Share, and an amount in cash equal to $12.50 without interest or (ii) one exchangeable share in Tronox Incorporated (subject to the limitations and the proration procedures described in this proxy statement/prospectus), which we refer to as an Exchangeable Share, each of which is exchangeable for one Class A Share and an amount in cash equal to $12.50 without interest. As a result of the Mergers, each stockholder of Tronox Incorporated (other than stockholders whose shares of Tronox Incorporated common stock are converted into Exchangeable Shares pursuant to their election and the terms of the Transaction Agreement) will receive Class A Shares of Tronox Limited and cash, and therefore become subject to the Constitution of Tronox Limited and applicable provisions of Australian law. In consideration for Tronox Incorporated common stock, Tronox Incorporated stockholders will receive an aggregate of 15,238,612 Class A Shares, assuming no Tronox Incorporated stockholders elect to receive Exchangeable Shares. If a sufficient number of stockholders elect to receive Exchangeable Shares in the Transaction, Tronox Incorporated may issue up to 2,285,792 Exchangeable Shares.

Pursuant to the Transaction Agreement, in consideration for the sale of Exxaro Mineral Sands, Exxaro will receive 9,950,856 Class B ordinary shares of Tronox Limited, which we refer to as the Class B Shares. The consideration for Exxaro Mineral Sands will be subject to adjustments for net working capital, net debt and capital expenditures for certain specified projects, which adjustments will be made solely in cash and will not affect the number of Class B Shares to be issued to Exxaro.

Upon completion of the transactions contemplated by the Transaction Agreement, assuming the exchange of all Exchangeable Shares, the former Tronox Incorporated stockholders will own all of the Class A Shares, representing approximately 61.5% of the voting securities of Tronox Limited, and Exxaro will own all of the Class B Shares, representing approximately 38.5% of the voting securities of Tronox Limited. Exxaro will retain a 26.0% ownership interest in the South African operations that are part of Exxaro Mineral Sands in order to comply with ownership requirements imposed by current Black Economic Empowerment legislation in South Africa. The ownership interest in the South African operations may be exchanged for Class B Shares under certain circumstances, which could result in Exxaro owning approximately 41.7% of the voting shares of Tronox Limited after such exchange (based on the total number of issued voting shares immediately after completion of the transactions contemplated by the Transaction Agreement and assuming the exchange of all Exchangeable Shares and no subsequent issuances of Tronox Limited shares).

Following completion of the Transaction, we expect to list the Class A Shares on the New York Stock Exchange.

Tronox Incorporated will hold a special meeting of stockholders to consider the Transaction Agreement and the Mergers contemplated thereby, which we refer to as the Transaction. We cannot complete the Transaction unless the stockholders of Tronox Incorporated approve the proposals related to the Mergers. Your vote is very important, regardless of the number of shares you own. **Whether or not you expect to attend Tronox Incorporated s special meeting in person, please vote your shares as promptly as possible by (1) accessing the Internet website specified on your proxy card, (2) calling the toll-free number specified on your proxy card or (3) signing all proxy cards that you receive and returning them in the postage-paid envelopes provided, so that your shares may be represented and voted at the special meeting, as applicable. You may revoke your proxy at any time before the vote at the special meeting by following the procedures outlined in the accompanying proxy statement/prospectus.**

We look forward to the successful completion of the Transaction.

Sincerely,

Thomas Casey

Chairman of the Board of Directors

Tronox Incorporated
The obligations of Tronox Incorporated and Exxaro to complete the Transaction are subject to the satisfaction or waiver of several conditions set forth in the Transaction Agreement. More information about Tronox Limited, Tronox Incorporated, Exxaro Mineral Sands, the special meeting, the Transaction Agreement and the Transaction is contained in this proxy statement/prospectus.

Tronox Incorporated encourages you to read the entire proxy statement/prospectus carefully, including the section entitled Risk Factors, beginning on page 36.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Transaction described in this proxy statement/prospectus, nor have they approved or disapproved of the issuance of the Class A Shares, the Class B Shares or the Exchangeable Shares in connection with the Transaction, or determined if this proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

This proxy statement/prospectus is dated , 2012, and is first being mailed to the stockholders of Tronox

Incorporated on or about , 2012.

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REFERENCES TO ADDITIONAL INFORMATION

This proxy statement/prospectus forms a part of a registration statement filed with the Securities and Exchange Commission, or the SEC, and incorporates important information about Tronox Incorporated and Tronox Limited from other documents that we have not included in or delivered with this proxy statement/prospectus. This information is available for you to read and copy at the SEC Public Reference Room located at 100 F Street, N.E., Washington, DC 20549, and through the SEC s website, www.sec.gov. You can also obtain those documents incorporated by reference into this proxy statement/prospectus free of charge by requesting them in writing or by telephone at the following addresses and telephone numbers:

MacKenzie Partners, Inc.

105 Madison Avenue

New York, NY 10016

Call toll-free: (800) 322-2885 or

Call collect: (212) 929-5500

Email: proxy@mackenziepartners.com

Investors may also consult Tronox Incorporated s website for more information concerning the Transaction described in this proxy statement/prospectus. Tronox Incorporated s website is www.tronox.com. Information included on Tronox Incorporated s website is not incorporated by reference into this proxy statement/prospectus.

If you would like to request documents, please do so by , 2012 in order to receive them before the special meeting.

For more information, see Where You Can Find More Information beginning on page 345.

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TRONOX INCORPORATED

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON , 2012

To the Stockholders of Tronox Incorporated:

We will hold a special meeting of the stockholders of Tronox Incorporated on , 2012 at , Eastern time, in New York, New York:

(i) to adopt the Transaction Agreement for the purpose of approving the Mergers contemplated thereby (the Merger Proposal), as a result of which each stockholder of Tronox Incorporated (other than stockholders whose shares of Tronox Incorporated common stock are converted into Exchangeable Shares pursuant to their election and the terms of the Transaction Agreement) will receive Class A Shares of Tronox Limited, a new Australian holding company, and cash, and therefore become subject to the Constitution of Tronox Limited and applicable provisions of Australian law; and

(ii) to adjourn the Tronox Incorporated special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to approve the Merger Proposal (the Adjournment Proposal).

We do not expect to transact any other business at the special meeting.

Only holders of record of shares of Tronox Incorporated common stock at the close of business on , 2012, the record date for the special meeting, are entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting. A list of these stockholders will be available for inspection by any Tronox Incorporated stockholder, for any purpose germane to the Tronox Incorporated special meeting, at such meeting.

We cannot complete the Transaction described in this proxy statement/prospectus unless we receive the affirmative vote of the holders of a majority of the shares of Tronox Incorporated common stock outstanding as of the record date for the special meeting, voting as a single class, either in person or by proxy.

The Tronox Incorporated board of directors unanimously recommends that the Tronox Incorporated stockholders vote FOR the Merger Proposal and the Adjournment Proposal. For a discussion of interests of Tronox Incorporated s directors and executive officers in the Transaction that may be different from, or in addition to, the interests of Tronox Incorporated s stockholders generally, see the disclosure included in this proxy statement/prospectus under the heading The Transaction Additional Interests of Tronox Incorporated Executive Officers and Directors in the Transaction. Whether or not you expect to attend the special meeting in person, please authorize a proxy to vote your shares as promptly as possible by (1) accessing the Internet website specified on your proxy card, (2) calling the toll-free number specified on your proxy card or (3) signing all proxy cards that you receive and returning them in the postage-paid envelopes provided, so that your shares may be represented and voted at the special meeting. If your shares are held in the name of a bank, broker or other fiduciary, please follow the instructions on the voting instruction form furnished by the record holder.

By Order of the Board of Directors,

Michael J. Foster

Vice President, General

Counsel and Secretary

Oklahoma City, Oklahoma

, 2012

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IMPORTANT

Whether or not you plan to attend the special meeting, we urge you to vote your shares over the Internet or via the toll-free telephone number, as we describe in this proxy statement/prospectus. As an alternative, if you received a paper copy of the proxy card by mail, you may sign, date and mail the proxy card in the envelope provided. No postage is necessary if mailed in the United States. Voting over the Internet, via the toll-free telephone number or mailing a proxy card will not limit your right to vote in person or to attend the special meeting.

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VOTING INSTRUCTIONS

Tronox Incorporated stockholders of record may attend the meeting in person and vote or may authorize a proxy to vote as follows:

Internet. You can authorize a proxy to vote over the Internet by accessing the website shown on your proxy card and following the instructions on the website. Internet voting is available 24 hours a day.

Telephone. You can authorize a proxy to vote by telephone by calling the toll-free number shown on your proxy card. Telephone voting is available 24 hours a day.

Mail. You can authorize a proxy to vote by mail by completing, signing, dating and mailing your proxy card(s) in the postage-paid envelope included with this proxy statement/prospectus.

If you are not the holder of record:

If you hold your common stock through a bank, broker, custodian or other record holder, please refer to your proxy card or voting instruction form or the information forwarded by your bank, broker, custodian or other record holder to see which options are available to you.

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DEFINED TERMS

Unless otherwise specified or if the context so requires:

we, us, and our refer to Tronox Limited and Tronox Incorporated, the registrants, together;

$ refers to United States dollars;

A$ refers to Australian dollars;

Rand and R refer to South African Rand;

tonnes refers to metric tons;

Tronox Incorporated refers to Tronox Incorporated, a Delaware corporation, and unless the context requires otherwise, its current subsidiaries;

Tronox Limited refers to Tronox Limited, a public limited company registered under the laws of the State of Western Australia, Australia;

Constitution refers to the Constitution of Tronox Limited upon completion of the Transaction;

Exxaro refers to Exxaro Resources Limited, a public company organized under the laws of the Republic of South Africa;

Exxaro Mineral Sands refers to Exxaro s mineral sands business that will be contributed to Tronox Limited as part of the Transaction;

Acquired Companies refers to all of the entities that comprise Exxaro Mineral Sands;

New Tronox refers to the combined businesses of Tronox Incorporated and Exxaro Mineral Sands after completion of the Transaction;

Merger Sub One refers to Concordia Acquisition Corporation, a Delaware corporation and an indirect, wholly-owned subsidiary of Tronox Incorporated;

Merger Sub Two refers to Concordia Merger Corporation, a Delaware corporation and an indirect, wholly-owned subsidiary of Tronox Incorporated;

The Tiwest Joint Venture is a joint venture between Tronox Incorporated and Exxaro in Western Australia, Australia which operates a chloride process TiO_2 plant located in Kwinana, Western Australia, a mining venture in Cooljarloo, Western Australia, a mineral separation plant and a synthetic rutile processing facility, both in Chandala, Western Australia;

Exxaro Holdings Sands means Exxaro Holdings Sands Proprietary Limited, a company organized under the laws of the Republic of South Africa and a wholly-owned subsidiary of Exxaro;

Exxaro Sands refers to Exxaro Sands Proprietary Limited, a company organized under the laws of the Republic of South Africa;

Exxaro TSA Sands refers to Exxaro TSA Sands Proprietary Limited, a company organized under the laws of the Republic of South Africa;

South African Acquired Companies means Exxaro Sands and Exxaro TSA Sands;

Class A Shares refers to the Class A ordinary shares of Tronox Limited;

Class B Shares refers to the Class B ordinary shares of Tronox Limited;

Exchangeable Shares refers to Exchangeable Shares of Tronox Incorporated, each of which is exchangeable for one Class A Share and an amount in cash equal to $12.50 without interest;

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Transaction Agreement refers to the Transaction Agreement dated as of September 25, 2011, as amended and restated on April 20, 2012 by and among Tronox Incorporated, Tronox Limited, Merger Sub One, Merger Sub Two, Exxaro, Exxaro Holdings Sands Proprietary Limited, a company organized under the laws of the Republic of South Africa and wholly-owned subsidiary of Exxaro and Exxaro International BV, a company organized under the laws of the Netherlands and wholly-owned subsidiary of Exxaro, a copy of which is included in the registration statement of which this proxy statement/prospectus forms a part, and which is incorporated herein by reference;

Transaction refers to the transactions contemplated by the Transaction Agreement, including the Mergers, as more fully described under the captions The Transaction and Description of Transaction Documents ;

First Merger refers to the merger of Concordia Acquisition Corporation with and into Tronox Incorporated;

Second Merger refers to the merger of Concordia Merger Corporation with and into Tronox Incorporated; and

Mergers refers to the First Merger and the Second Merger, together.

Solely for the convenience of the reader, this proxy statement/prospectus contains translations of certain Australian dollar amounts into U.S. dollars at specified rates. Except as otherwise stated in this proxy statement/prospectus, all translations from Australian dollars to U.S. dollars are based on the noon buying rate of A$ per $1.00 in the City of New York for cable transfers of Australian dollars, as certified for customs purposes by the Federal Reserve Bank of New York on March 31, 2012. In addition, this proxy statement/prospectus also contains U.S. dollar equivalent amounts of certain South African Rand amounts. Except as otherwise stated in this proxy statement/prospectus, all translations from South African Rand to U.S. dollars are based on (i) the closing rate as reported on the last business day of the period, (ii) acquisitions, disposals, share issuances and specific items within equity at the closing rate at the date the transaction was recognized, and (iii) income statement items at the average closing rate for the period. Estimated capital expenditures and estimated lost revenue and costs associated with furnace shutdowns have been translated at the closing rate used for balance sheet items as of June 30, 2011.

Period ended	**Average[(1)]**	**Period End[(1)]**
December 31, 2011	7.26	8.09
December 31, 2010	7.33	6.62
December 31, 2009	8.42	7.38

[(1)] ***Factiva***

No representation is made that the Australian dollar or South African Rand amounts referred to in this proxy statement/prospectus could have been or could be converted into U.S. dollars at such rates or any other rates. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding.

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INDUSTRY AND MARKET DATA

This proxy statement/prospectus includes market share, market position and industry data and forecasts. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable. Tronox Incorporated and Exxaro Mineral Sands participate in various trade associations, such as the Titanium Dioxide Manufacturers Association (TDMA), and subscribe to various industry research publications, such as those produced by TZ Minerals International Pty Ltd (TZMI). While we have taken reasonable actions to ensure that the information is extracted accurately and in its proper context, we have not independently verified the accuracy of any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein. Statements as to our market share and market position are based on the most currently available market data obtained from such sources.

NOTICE REGARDING SALES OF CLASS A SHARES IN AUSTRALIA

The registration statement of which this proxy statement/prospectus forms a part is not a disclosure document under the Australian Corporations Act and has not been filed with the Australian Securities and Investments Commission. Unless certain limited exceptions apply, offers to sell Class A Shares registered under the registration statement within 12 months of issue of the shares must not be received in Australia.

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QUESTIONS AND ANSWERS ABOUT THE TRANSACTION

Following are brief answers to certain questions that you may have regarding the proposals being considered at the special meeting of Tronox Incorporated stockholders, which we refer to as the special meeting. Tronox Incorporated urges you to read carefully this entire proxy statement/prospectus, including the exhibits to the registration statement of which this proxy statement/prospectus forms a part because this section does not provide all the information that might be important to you.

Q: When and where is the meeting of the stockholders?

A: The special meeting of Tronox Incorporated s stockholders will take place at , Eastern time, on , 2012, in New York, New York. We provide additional information relating to the special meeting in the section entitled The Special Meeting of Tronox Incorporated Stockholders.

Q: Who can vote at the special meeting?

A: If you are a Tronox Incorporated stockholder of record as of the close of business on , 2012, the record date for the special meeting, you are entitled to receive notice of and to vote at the special meeting.

Q: How do I vote?

A: If you are a stockholder of record of Tronox Incorporated as of the record date for the special meeting, you may cast your vote in person at the special meeting. You may also authorize a proxy to vote by timely:

- accessing the internet website specified on your proxy card;
- calling the toll-free number specified on your proxy card; or
- signing the enclosed proxy card and returning it in the postage-paid envelope provided.

If you hold Tronox Incorporated common stock in street name through a bank, broker or other nominee, please follow the voting instructions provided by your bank, broker or other nominee to ensure that your shares are represented at the special meeting. If you hold shares through a bank, broker, custodian or other record holder and wish to vote at the special meeting, you will need to obtain a legal proxy from your bank, broker or other nominee.

Q: What will happen in the Transaction?

A: In the Transaction, the existing businesses of Tronox Incorporated will be combined with the newly acquired Exxaro Mineral Sands business under a new Australian holding company, Tronox Limited. The Transaction will be effected in two primary steps:

In the first step, Tronox Incorporated will participate in the Mergers, as a result of which it will become a subsidiary of Tronox Limited. In the Mergers, each share of Tronox Incorporated common stock will be converted into, at the holder s election, either (i) one Class A Share and an amount in cash equal to $12.50 without interest, which we refer to as the Default Consideration in this proxy statement/prospectus, or (ii) one

Exchangeable Share (subject to the limitations and the proration procedures described in this proxy statement/prospectus), which is exchangeable for one Class A Share and an amount in cash equal to $12.50 without interest. We refer to the consideration to be received by holders of Tronox Incorporated common stock in the Mergers (whether in the form of the Default Consideration or Exchangeable Shares, as the holder may elect) as the Transaction Consideration in this proxy statement/prospectus. Unless your shares of Tronox Incorporated common stock are converted into Exchangeable Shares pursuant to your election and the terms of the Transaction Agreement, you will receive Class A Shares of Tronox Limited and cash in the Mergers, and therefore become subject to the Constitution of Tronox Limited and applicable provisions of Australian law.

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In the second step, Tronox Limited will acquire Exxaro Mineral Sands and, in consideration therefor, Tronox Limited will issue 9,950,856 Class B Shares to Exxaro and Exxaro International BV. Exxaro Mineral Sands is composed of Exxaro Sands and Exxaro TSA Sands in South Africa and Exxaro s 50.0% interest in the Tiwest Joint Venture.

Upon completion of the Transaction, assuming the exchange of all Exchangeable Shares, the former Tronox Incorporated stockholders will own all of the Class A Shares, representing approximately 61.5% of the voting securities of Tronox Limited, and Exxaro will own all of the Class B Shares, representing approximately 38.5% of the voting securities of Tronox Limited. Exxaro will retain a 26.0% ownership interest in the South African operations that are part of Exxaro s mineral sands business in order to comply with ownership requirements of Black Economic Empowerment (BEE) legislation in South Africa. The retained ownership interest in the South African operations may be exchanged for Class B Shares under certain circumstances, resulting in Exxaro owning approximately 41.7% of the voting securities of Tronox Limited after such exchange (based on the total number of issued voting shares immediately after completion of the transactions contemplated by the Transaction Agreement and assuming the exchange of all Exchangeable Shares and no subsequent issuances of new Tronox Limited shares).

We provide additional information on the Transaction under the headings The Transaction and The Transaction Documents.

Q: What will I receive for my shares?

A: If you are a Tronox Incorporated stockholder, upon completion of the Mergers, each share of Tronox Incorporated common stock that you own immediately prior to the Transaction will convert into, at your election, either (i) the Default Consideration (one Class A Share and an amount in cash equal to $12.50 without interest) or (ii) one Exchangeable Share (subject to the limitations and the proration procedures described in this proxy statement/prospectus), each of which is exchangeable for one Class A Share and an amount in cash equal to $12.50 without interest. If you fail to make any election with respect to any of the shares of Tronox Incorporated common stock you own, each of your shares of Tronox Incorporated common stock will be converted into the Default Consideration. Therefore, unless your shares of Tronox Incorporated common stock are converted into Exchangeable Shares pursuant to your election and the terms of the Transaction Agreement, you will receive Class A Shares and cash in the Mergers and become subject to the Constitution of Tronox Limited and applicable provisions of Australian law. For a discussion of the material differences between the current rights of Tronox Incorporated stockholders and the rights they will have as holders of Class A Shares of Tronox Limited, see Comparative Rights of Stockholders of Tronox Incorporated and Shareholders of Tronox Limited. We provide additional information on the consideration to be received in the Transaction under the headings The Transaction.

Q: How do I make an election to receive Class A Shares or Exchangeable Shares in the Transaction?

A: Each holder of record of Tronox Incorporated common stock as of the close of business on the record date of the special meeting will be sent an election form and transmittal materials, which will be mailed concurrently with this proxy statement/prospectus but under separate cover. You must properly complete and deliver to the exchange agent the election materials, together with your stock certificates if you hold stock certificates for your shares of Tronox Incorporated common stock (your election form will not be deemed properly completed if you fail to deliver such stock certificates to the exchange agent). A postage-paid return envelope will be provided for submitting the election form and certificates to the exchange agent. This is a different envelope from the envelope that you will use to return your completed proxy card. **Please do not send your stock certificates or election form in the envelope with your proxy card.**

If your shares are held in a brokerage or other custodial account, you should receive instructions from the entity which holds your shares advising you of the procedures for making your election and delivering your shares. If you do not receive these instructions, you should contact the entity which holds your shares.

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In the event the Transaction Agreement is terminated, any Tronox Incorporated stock certificates that you previously sent to the exchange agent will be promptly returned to you without charge.

Q: Can I make one election for some of my shares and another election for the rest?

A: Yes. Each election form permits the holder to specify the number of such holder s shares of Tronox Incorporated common stock with respect to which such holder makes an election to receive Class A Shares or Exchangeable Shares in the Transaction. Such election will be honored, subject to the proration procedures with respect to the Exchangeable Shares described in this proxy statement/prospectus and provided that a minimum number of holders of Tronox Incorporated common stock make an election to receive Exchangeable Shares as described in The Exchangeable Share Election.

Q: What if I change my mind after I have made an election with respect to my shares?

A: You can revoke or change your previous election by submitting a subsequently dated, properly completed election form to the exchange agent prior to the election deadline.

Q: What if I do not make an election?

A: Any share of Tronox Incorporated common stock for which an election is not made will, as a result of the Mergers, be converted into the Default Consideration (one Class A Share and an amount in cash equal to $12.50 without interest). An election shall be deemed not to have been made if the exchange agent has not received an effective, properly completed election form and, if you hold stock certificates for your shares of Tronox Incorporated common stock, such stock certificates, on or before 5:00 p.m., New York time, on the business day that is three business days prior to completion of the Transaction. Tronox Limited will publicly announce the closing date as soon as reasonably practicable, in any event not less than five business days prior to the anticipated completion date of the Transaction.

Subject to the terms of the Transaction Agreement and the election form, the exchange agent, in consultation with Tronox Incorporated, will have reasonable discretion to determine whether any election, revocation or change has been properly or timely made and to disregard immaterial defects in the election forms. Any good faith decisions of the exchange agent regarding such matters shall be binding and conclusive. None of the parties to the Transaction Agreement or the exchange agent shall be under any obligation to notify any person of any defect in an election form.

Q: May I submit an election form if I vote against the Merger Proposal?

A: Yes. You may submit an election form even if you vote against the Merger Proposal. However, if you have submitted a valid demand for appraisal for your shares, any election form submitted by you with respect to such shares will have no effect and if you subsequently withdraw your demand for appraisal such shares will be treated as if no election was made with respect to them.

Q: When will I receive the Transaction Consideration?

A: If you made a valid election with respect to your shares of Tronox Incorporated common stock prior to the election deadline, as promptly as practicable after completion of the Transaction, you will receive (i) a certificate or book-entry representing the number of whole shares of Class A Shares or Exchangeable Shares that you are entitled to receive after taking into account all the shares of Tronox Incorporated common stock (whether in book-entry form or represented by certificates) you have surrendered prior to completion of the Transaction and

(ii) a check for the cash that you are entitled to receive, including, to the extent applicable, the cash portion of the Transaction Consideration, cash in lieu of any fractional shares as described in The Exchangeable Share Election No Fractional Shares and other dividends or distributions, if any, as described in The Exchangeable Share Election Dividends or Distributions.

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If you did not surrender your shares of Tronox Incorporated common stock prior to completion of the Transaction, as promptly as practicable following completion of the Transaction, Tronox Limited will cause the exchange agent to mail to you a letter of transmittal and instructions for use in surrendering the certificates (or affidavits of loss in lieu thereof) or book-entry shares of Tronox Incorporated common stock in exchange for the Default Consideration. You will receive the Default Consideration upon surrender of your shares of Tronox Incorporated common stock to the exchange agent, together with the required letter of transmittal, duly completed and validly executed, and/or any other documents that the exchange agent may reasonably require.

Q: What are the material U.S. federal income tax consequences of the Transaction?

A: In the opinion of our U.S. tax counsel, Kirkland & Ellis LLP, for U.S. federal income tax purposes, the exchange of a share of Tronox Incorporated common stock for the Default Consideration (one Class A Share and an amount in cash equal to $12.50 without interest) will be a taxable exchange for a U.S. Holder (as defined in The Transaction Material U.S. Federal Income Tax Consequences of the Transaction). The U.S. federal income tax consequences to a U.S. Holder who receives Exchangeable Shares in exchange for shares of Tronox Incorporated common stock pursuant to the Mergers are not entirely clear because there is no definitive precedent regarding the U.S. federal income tax treatment of Exchangeable Shares. Subject to the foregoing, the exchange of a share of Tronox Incorporated common stock for an Exchangeable Share should not be a taxable exchange for a U.S. Holder unless and until such Exchangeable Share is exchanged for a Class A Share and an amount in cash equal to $12.50 without interest. If this position were successfully challenged, the exchange of a share of Tronox Incorporated common stock for an Exchangeable Share would instead be a taxable exchange for a U.S. Holder. In contrast, for U.S. federal income tax purposes, none of (i) the exchange of a share of Tronox Incorporated common stock for the Default Consideration, (ii) the exchange of a share of Tronox Incorporated common stock for an Exchangeable Share, or (iii) the subsequent exchange of an Exchangeable Share into a Class A Share and an amount in cash equal to $12.50 without interest will be subject to tax for a Non-U.S. Holder (as defined in The Transaction Material U.S. Federal Income Tax Consequences of the Transaction), in each case unless certain exceptions apply. Tax circumstances may be different in jurisdictions outside the United States. Each taxpayer should seek advice based on the taxpayer s particular circumstances from an independent tax advisor.

We provide a more complete description of the material U.S. federal income tax consequences of the Transaction under the heading The Transaction Material U.S. Federal Income Tax Consequences of the Transaction.

Q: Why is Tronox Incorporated offering Exchangeable Shares to holders of Tronox Incorporated common stock in the Transaction?

A: The Exchangeable Share structure will provide an opportunity for Tronox Incorporated stockholders to retain their interest in Tronox Incorporated following completion of the Transaction. The primary reason for offering the Exchangeable Shares is to permit U.S. Holders of Tronox Incorporated who elect to receive Exchangeable Shares to report their receipt of the Exchangeable Shares as a tax-free transaction and defer the recognition of gain or loss for U.S. federal income tax purposes. However, U.S. Holders who elect to receive Exchangeable Shares will be required to recognize gain or loss for U.S. federal income tax purposes when (i) they exchange their Exchangeable Shares for Class A Shares and cash, (ii) Tronox Incorporated exercises its right to exchange the Exchangeable Shares for Class A Shares and cash, or (iii) Tronox Limited exercises its right to require Tronox Incorporated to exchange the Exchangeable Shares for Class A Shares and cash.

If Exchangeable Shares are issued in the Transaction, beginning on October 30, 2012, Tronox Incorporated will have the right to exchange each outstanding Exchangeable Share for (i) one Class A Share of Tronox Limited, (ii) an amount in cash equal to $12.50 without interest, and (iii) cash equal to any declared but

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unpaid dividends on such Exchangeable Share if the holder thereof was a holder of record on the applicable dividend record date. If Tronox Incorporated were to exercise this right, then each U.S. Holder would recognize gain or loss in the manner described above on the date of such exchange, and such gain or loss would be long term capital gain or loss only if such U.S. Holder had, as of such exchange date, a holding period for federal income tax purposes in its Exchangeable Shares of more than one year. Therefore, if Tronox Incorporated exercised its exchange right on October 30, 2012, then a U.S. Holder of Exchangeable Shares could recognize long term capital gain or loss on the exchange only if such U.S. Holder acquired its shares of Tronox Incorporated common stock on or before October 29, 2011, and received the Exchangeable Shares in exchange for such shares of Tronox Incorporated common stock in the Mergers. Accordingly, gain or loss recognized on the exchange of Exchangeable Shares for Class A Shares and cash by a U.S. Holder who acquired shares of Tronox Incorporated common stock after October 29, 2011 (approximately one month after the September 26, 2011 date of announcement of the Transaction) may not qualify for long term capital gain treatment if Tronox Incorporated exercises its exchange right on October 30, 2012, even if such U.S. Holder has elected to receive Exchangeable Shares in the Mergers.

In the event the shares of Tronox Incorporated common stock held by holders who elect to receive Exchangeable Shares represent less than 5.0% of the aggregate number of shares of Tronox Incorporated common stock outstanding on the record date of the special meeting, all elections to receive Exchangeable Shares will be treated as elections to receive the Default Consideration and no Exchangeable Shares will be issued in the Mergers.

Q: What are the principal differences between electing to receive Class A Shares and cash and electing to receive Exchangeable Shares in connection with the Transaction?

A: Before the Exchangeable Shares are exchanged for Class A Shares and cash, the principal differences between receiving Class A Shares and cash and Exchangeable Shares are the following:

	Class A Shares and Cash	**Exchangeable Shares**
Tax Consequences	The receipt of Class A Shares and cash will be a taxable transaction for U.S. Holders.	The receipt of Exchangeable Shares should be a tax-free transaction for U.S. Holders
Dividend and Voting Rights	You will hold an equity interest in Tronox Limited and be entitled to all the rights of shareholders in Tronox Limited contemplated by the Constitution, including the receipt of dividends and other distributions by Tronox Limited and voting rights at shareholder meetings of Tronox Limited.	You will continue to hold an equity interest in Tronox Incorporated, a majority-owned subsidiary of Tronox Limited, and be entitled to all the rights of shareholders in Tronox Incorporated contemplated by its charter and bylaws as in effect after the Mergers, including the receipt of dividends and other distributions by Tronox Incorporated and voting rights at shareholder meetings of Tronox Incorporated. Holders of Exchangeable Shares will not be entitled to receive any dividends or other distributions by Tronox Limited or to vote on any matters subject to a vote of the shareholders of Tronox Limited unless and until their Exchangeable Shares are exchanged for Class A Shares and cash.
Transferability	The Class A Shares are expected to be listed for trading on the New York Stock Exchange (NYSE).	The Exchangeable Shares will be non-transferable until December 31, 2012.

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Q: Why are Class B Shares being issued to Exxaro?

A: In consideration for Exxaro Mineral Sands, Tronox Limited will issue 9,950,856 Class B Shares to Exxaro and Exxaro International BV. Assuming all the Exchangeable Shares are exchanged for Class A Shares, the Class B Shares will constitute approximately 38.5% of the outstanding voting securities of Tronox Limited immediately after completion of the Transaction. Class B Shares have different rights than Class A Shares. For example, the Transaction Agreement provides that, immediately following completion of the Transaction, the board of directors of Tronox Limited will consist of nine members, six of whom will be designated by Tronox Incorporated (of whom at least one will be ordinarily resident in Australia), and three of whom will be designated by Exxaro (of whom at least one will be ordinarily resident in Australia). Following the closing of the Transaction, Exxaro will continue to be able to appoint a certain number of representatives to the board of directors of Tronox Limited based on the number of Class B Shares it owns. The Constitution of Tronox Limited provides that, for as long as the voting interest held by holders of Class B Shares (the Class B Voting Interest) is at least 10.0% of the total voting interest in Tronox Limited, there must be nine directors on the board of directors; and the holders of Class A Shares will be entitled to vote separately to elect a certain number of directors to the board (the Class A Directors), and the holders of Class B Shares will be entitled to vote separately to elect a certain number of directors to the board (the Class B Directors). If the Class B Voting Interest is: greater than or equal to 30.0%, the board of directors will consist of six Class A Directors and three Class B Directors; greater than or equal to 20.0% but less than 30.0%, the board of directors will consist of seven Class A Directors and two Class B Directors; and greater than or equal to 10.0% but less than 20.0%, the board of directors will consist of eight Class A Directors and one Class B Director.

Also, the Constitution provides that, subject to certain limitations, for as long as the Class B Voting Interest is at least 20.0%, a separate vote by holders of Class A Shares and Class B Shares is required to approve certain types of mergers or similar transactions that result in a change in control or a sale of all or substantially all of the assets of Tronox Limited, or any reorganization or similar transaction that does not treat Class A Shares and Class B Shares equally.

For more information regarding ownership of Class B Shares by Exxaro and the rights associated with Class B Shares, see the sections of this proxy statement/prospectus entitled Description of the Transaction Documents Shareholder s Deed and Governance of Tronox Limited.

Q Why is Exxaro retaining an interest in Exxaro Mineral Sands s South African operations?

A: Exxaro will retain a 26.0% ownership interest in each of Exxaro Sands and Exxaro TSA Sands in order for these two entities to comply with the requirements of the Mineral and Petroleum Resources Development Act, 28 of 2002 (MPRDA) and the Broad-Based Socio-Economic Empowerment Charter for the South African Mining and Minerals Industry (the South African Mining Charter). Exxaro has agreed to hold such ownership interest until the earlier of the 10th anniversary of completion of the Transaction and the date when the South Africa Department of Mineral Resources (the DMR) determines that ownership is no longer required under Black Economic Empowerment legislation in South Africa. Exxaro s 26.0% direct ownership interest in Exxaro Sands and Exxaro TSA Sands is subject to put/call arrangements with Tronox Limited, which allows the ownership interest to be exchanged for approximately 1.45 million additional Class B Shares in certain circumstances if the DMR determines that such ownership is no longer required. Exxaro may accelerate the put right in connection with a change of control of Tronox Limited. If Exxaro s ownership interest in Exxaro Sands and Exxaro TSA Sands is exchanged for Class B Shares, Exxaro will own Class B Shares representing approximately 41.7% of the voting securities of Tronox Limited (calculated based on the number of issued shares of Tronox Limited immediately following completion of the Transaction and assuming the exchange of all Exchangeable Shares and no subsequent issuances of new Tronox Limited shares).

For more information regarding Exxaro s interest in Exxaro Mineral Sands s South African operations, see Description of the Transaction Documents Shareholder s Deed Put/Call Option.

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Q: Why did Tronox Incorporated decide to pursue the Transaction?

A: Based on 2010 numbers, the Transaction will join the world s fifth largest producer and marketer of titanium dioxide (TiO_2), Tronox Incorporated, with the world s third largest producer of titanium feedstock and zircon, Exxaro Mineral Sands, which we believe will provide Tronox Limited with a strategic competitive advantage by assuring it of the supply of critical feedstock for its TiO_2-producing operations and allowing it to participate in the financial performance of two levels of this industry. We believe that the combination of the existing business of Tronox Incorporated with Exxaro Mineral Sands will provide Tronox Incorporated stockholders and its customers and employees with substantial strategic and financial benefits, including expected cost savings and revenue opportunities. We expect these benefits to include:

Improving the flexibility and manageability of a key raw material;

Positioning of New Tronox as a highly efficient, vertically-integrated TiO_2 producer; and

Ensuring a secure titanium feedstock supply in the near-term and long-term.

We include additional information on the reasons for the Transaction and other factors considered by the Tronox Incorporated board of directors under the headings The Transaction Tronox Incorporated s Reasons for the Transaction; Recommendation of the Tronox Incorporated Board of Directors.

Q: Why is the new holding company, Tronox Limited, organized under the laws of Australia?

A: Tronox Incorporated s headquarters are located in the United States, as are other operations of its business. Exxaro s headquarters are located in South Africa. Both Tronox Incorporated and Exxaro have significant operations and assets in Australia through their interests in the Tiwest Joint Venture. Australia is therefore a convenient location for the new holding company under which the existing businesses of Tronox Incorporated and Exxaro Mineral Sands will be combined. In addition, Australia is a commercially practical location because it has an established and stable legal and regulatory system which is familiar with the resources and manufacturing sectors. Australia also has a taxation system with attributes that encourage foreign investment. Reforms to the Australian taxation system introduced following the Federal Government s Review of International Taxation Arrangements were designed to maintain and enhance Australia s status as an attractive place for business and investment, including improving Australia s attractiveness as a regional headquarters and base for multinational companies. In addition, Tronox Limited will be able to repatriate profits from non-Australian operations to its U.S. shareholders via unfranked dividends, without the imposition of additional Australian income or dividend withholding tax. This should increase Tronox Limited s flexibility to pay dividends from these profits. If the combined business was based in another jurisdiction in which it conducts business, foreign earnings (relative to that jurisdiction) might have been subject to additional corporate taxation in that jurisdiction.

Q: What happens to the equity awards held by directors and officers which have not yet vested upon completion of the Transaction?

A: With some exceptions, all the equity awards held by directors and officers of Tronox Incorporated will vest upon completion of the Transaction. For a further discussion, see Executive Compensation Elements of Executive Compensation Change in Control.

Q: Are there risks associated with the Transaction that I should consider in deciding how to vote?

A:

Yes. There are a number of risks related to the Transaction that are discussed in this proxy statement/prospectus. In evaluating the Merger Proposal, you should carefully read the detailed description of the risks associated with the Transaction described under the heading Risk Factors and other information included in this proxy statement/prospectus.

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Q: Who will serve on the board of directors and management of Tronox Limited following completion of the Transaction?

A: The Transaction Agreement provides that, immediately following the closing, the board of directors of Tronox Limited will consist of nine members, six of whom will be designated by Tronox Incorporated (of whom at least one will be ordinarily resident in Australia) and three of whom will be designated by Exxaro (of whom at least one will be ordinarily resident in Australia).

We expect the current management of Tronox Incorporated to serve in similar capacities in Tronox Limited following completion of the Transaction. We provide additional information on the board of directors of Tronox Limited following completion of the Transaction under the heading The Transaction The Governance of Tronox Limited Following Completion of the Transaction.

Q: Where will Tronox Limited be headquartered following completion of the Transaction?

A: At some time following completion of the Transaction, Tronox Limited will relocate its operational headquarters from Oklahoma City, Oklahoma to Stamford, Connecticut.

Q: What vote is required to approve the Merger Proposal?

A: The Merger Proposal must be approved by the affirmative vote by holders of a majority of the shares of Tronox Incorporated common stock outstanding on the record date for the special meeting. Abstentions and broker non-votes will have the same effect as votes against the Merger Proposal.

As of , 2012, the record date for the special meeting of Tronox Incorporated stockholders, % of the outstanding shares of Tronox Incorporated common stock were owned by the directors and executive officers of Tronox Incorporated.

We provide additional information on the stockholder vote required to approve the Merger Proposal under the heading The Special Meeting of Tronox Incorporated Stockholders.

Q: What constitutes a quorum for the special meeting?

A: The presence or representation of holders of a majority in voting power of shares of Tronox Incorporated common stock issued and outstanding as of the record date at the special meeting of Tronox Incorporated stockholders, whether present in person or represented by proxy, is required in order to conduct business at the special meeting. This requirement is called a quorum. Abstentions will be treated as present for the purposes of determining the presence or absence of a quorum; broker non-votes will not count towards quorum.

Q: If I hold my shares in street name through my broker, will my broker vote my shares for me?

A: If you hold your shares in a stock brokerage account or through a bank, broker or other nominee (that is, in street name), you must provide the record holder of your shares with instructions on how to vote your shares. Please follow the voting instructions provided by your bank, broker or other nominee. You may not vote shares held in street name by returning a proxy card directly to Tronox Incorporated or by voting in person at your special meeting unless you provide a legal proxy, which you must obtain from your broker or other nominee. Further, brokers who hold shares of Tronox Incorporated common stock on behalf of their customers may not give a proxy to Tronox Incorporated to vote those shares without specific instructions from their customers.

If you are a Tronox Incorporated stockholder and you do not instruct your broker on how to vote your shares, your broker may not vote your shares to approve the Merger Proposal or to approve the Adjournment Proposal. We refer to this as a broker non-vote. A broker non-vote:

will have the same effect as a no vote on the Merger Proposal; and

will have no effect on the Adjournment Proposal.

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Q: What effect does the Transaction have on any outstanding warrants to purchase shares of Tronox Incorporated common stock?

A: Each outstanding warrant to purchase shares of Tronox Incorporated common stock will be adjusted at closing to provide that the obligations of Tronox Incorporated will be assumed by Tronox Limited without any action on the part of the holder of such warrant. Each outstanding warrant will become a warrant to acquire, under the same terms and conditions, upon payment of the exercise price, at the option of the warrantholder: (1) one Class A Share of Tronox Limited and $12.50 in cash without interest, or (2) an Exchangeable Share (provided there are Exchangeable Shares outstanding immediately following the completion of the Transaction). Any fractional Class A Shares resulting from an aggregation of all such warrants granted to the holder under a particular award agreement with the same exercise price shall be rounded down to the nearest whole share.

In the event the shares of Tronox Incorporated common stock held by holders who elect to receive Exchangeable Shares represent less than 5.0% of the aggregate number of shares of Tronox Incorporated common stock outstanding on the record date of the special meeting and therefore no Exchangeable Shares are issued in connection with the Mergers, each outstanding warrant will become a warrant to acquire one Class A Share of Tronox Limited and $12.50 in cash without interest.

Q: What do I need to do now?

A: After carefully reading and considering the information contained in or incorporated by reference into this proxy statement/prospectus, please vote your proxy by telephone or Internet, or by completing and signing your proxy card and returning it in the enclosed postage-paid envelope as soon as possible so that your shares may be represented at the special meeting. In order to ensure that your vote is recorded, please vote your proxy as instructed on your proxy card even if you currently plan to attend the special meeting in person.

We provide additional information on voting procedures under the headings The Special Meeting of Tronox Incorporated Stockholders How to Vote.

In addition, please complete the election form and the accompanying transmittal materials and return them to the exchange agent, along with any stock certificates you own. A separate postage-paid return envelope will be provided for submitting the election form, transmittal materials and certificates to the exchange agent. This is a different envelope from the envelope that you will use to return your completed proxy card. Please do not send your stock certificates or election form in the same envelope with your proxy card.

Q: How will my proxy be voted?

A: If you vote by telephone, by Internet, or by completing, signing, dating and returning your signed proxy card, your proxy will be voted in accordance with your instructions. If you sign, date, and send your proxy card and do not indicate how you want to vote on any particular proposal, we will vote your shares in favor of that proposal.

We provide additional information on voting procedures under the headings The Special Meeting of Tronox Incorporated Stockholders Voting of Proxies.

Q: May I vote in person?

A: Yes. If you are a stockholder of record of Tronox Incorporated common stock at the close of business on , 2012, you may attend the special meeting and vote your shares in person, in lieu of submitting your proxy by telephone, Internet or returning your signed proxy card. If you hold your shares through a bank, broker, custodian or other record holder, you must provide a legal proxy at the special meeting, which you must obtain from your broker or other nominee.

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Q: What must I bring to attend the special meeting of Tronox Incorporated stockholders?

A: Only stockholders of record of Tronox Incorporated common stock at the close of business on , 2012 or their authorized representatives may attend the special meeting. If you wish to attend the special meeting, bring your proxy or your voter information form. You must also bring photo identification. If you hold your shares through a bank, broker, custodian or other record holder, you must also bring proof of ownership such as the voting instruction form from your broker or other nominee or an account statement.

Q: What does it mean if I receive more than one set of materials?

A: This means you own shares of Tronox Incorporated common stock that are registered under different names. For example, you may own some shares directly as a stockholder of record and other shares through a broker or you may own shares through more than one broker. In these situations, you will receive multiple sets of proxy materials. You must vote, sign and return all of the proxy cards or follow the instructions for any alternative voting procedure on each of the proxy cards you receive in order to vote all of the shares you own. Each proxy card you receive will come with its own postage-paid return envelope; if you vote by mail, make sure you return each proxy card in the return envelope that accompanied that proxy card.

Q: What do I do if I want to change my vote?

A: Send a later-dated, signed proxy card so that we receive it prior to the special meeting or attend the special meeting in person and vote. You may also revoke your proxy card by sending a notice of revocation that we receive prior to the special meeting to the Tronox Incorporated Corporate Secretary at the address under the heading The Special Meeting of Tronox Incorporated Stockholders Revocability of Proxies. You may also change your vote by telephone or internet. You may change your vote by using any one of these methods regardless of the procedure used to cast your previous vote.

We provide additional information on changing your vote under the headings The Special Meeting of Tronox Incorporated Stockholders Revocability of Proxies.

Q: Should I send in my stock certificates now?

A: You should receive an election form and other transmittal materials with instructions for making an election and surrendering your shares of Tronox Incorporated common stock (whether in book entry form or represented by certificates). If you desire to make an election, please return the completed election form and transmittal materials along with your stock certificates prior to the election deadline. Your election form will not be deemed properly completed if you fail to deliver your stock certificates to the exchange agent along with the election form.

If you fail to complete the election form or submit your stock certificates with your election form prior to the election deadline, as soon as practicable after completion of the Transaction, we will send written instructions for exchanging your shares of Tronox Incorporated common stock for the Transaction Consideration. However, you will no longer be able to make an election at such time and your shares of Tronox Incorporated common stock will be exchanged for the Default Consideration (one Class A Share and $12.50 in cash without interest).

Q: When do you expect to complete the Transaction?

A: The companies are targeting a closing during the first half of 2012, although we cannot assure completion by any particular date. Completion of the Transaction is conditioned upon the approval of the Merger Proposal by the Tronox Incorporated stockholders, as well as other customary closing conditions, including the receipt of various required regulatory approvals and third party consents described

under the headings The Transaction Regulatory Matters and the The Transaction Exxaro Third Party Consents.

Q: Do I have dissenters or appraisal rights as a holder of Tronox Incorporated common stock?

A: Pursuant to Section 262 of the General Corporation Law of the State of Delaware (Section 262), Tronox Incorporated stockholders who do not vote in favor of the Merger Proposal and who comply with the

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applicable requirements of Section 262 have the right to seek appraisal of the fair value of such shares, as determined by the Delaware Court of Chancery, if the Mergers are completed. It is possible that the fair value as determined by the Delaware Court of Chancery may differ from the consideration to be received in the Mergers.

Stockholders who wish to preserve any appraisal rights they may have must so advise Tronox Incorporated by submitting a demand for appraisal in the form described in this proxy statement/prospectus prior to the vote on the Merger Proposal. In addition to submitting a demand for appraisal, in order to preserve any appraisal rights you may have, you must not vote in favor of the Merger Proposal, must not surrender your shares for payment of the consideration, and must otherwise follow the procedures prescribed by Section 262. **In view of the complexity of Section 262, Tronox Incorporated stockholders who may wish to dissent from the Merger Proposal and pursue appraisal rights should consult their legal advisors.** For additional information, please see the sections titled The Transaction Appraisal Rights and Appraisal Rights.

Q: How can I find more information about Tronox Limited, Tronox Incorporated and Exxaro Mineral Sands?

A: For more information about Tronox Limited, Tronox Incorporated and Exxaro Mineral Sands, we suggest you read this proxy statement/prospectus in its entirety. In addition, see the section of this proxy statement/prospectus entitled Where You Can Find More Information.

Q: Who can answer any questions I may have about the special meeting or the Transaction?

A: Tronox Incorporated stockholders who have questions about the Transaction or the other matters to be voted on at the special meeting or desire additional copies of this proxy statement/prospectus or additional proxy cards should contact:

MacKenzie Partners, Inc.

105 Madison Avenue

New York, NY 10016

Call toll-free: (800) 322-2885 or

Call collect: (212) 929-5500

Email: proxy@mackenziepartners.com

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SUMMARY

This summary highlights selected information contained in this proxy statement/prospectus and does not contain all the information that may be important to you. Tronox Incorporated and Tronox Limited urge you to read carefully this proxy statement/prospectus in its entirety, as well as the exhibits to the registration statement of which this proxy statement/prospectus forms a part. Additional, important information is also contained in the documents incorporated by reference into this proxy statement/prospectus; see the section entitled Where You Can Find More Information.

Tronox Limited s unaudited pro forma condensed combined statement of operations for the year ended December 31, 2011, is presented as if the Transaction had been completed on January 1, 2011. The unaudited pro forma condensed combined balance sheet as of December 31, 2011, is presented as if the Transaction had been completed on December 31, 2011. For the purposes of this discussion, references to we, us, and our refer to New Tronox when discussing the business following completion of the Transaction and to Tronox Incorporated or Exxaro Mineral Sands, as the context requires, when discussing the business prior to completion of the Transaction.

Our Company

Overview

Based on 2010 numbers reported by TZMI, the Transaction will join one of the world s leading producers and marketers of TiO_2 Tronox Incorporated, with the world s third-largest producer of titanium feedstock and second-largest producer of zircon, Exxaro Mineral Sands. New Tronox will be one of the leading integrated global producers and marketers of TiO_2 and mineral sands. Our world-class, high-performance TiO_2 products are critical components of everyday consumer applications such as coatings, plastics, paper and other applications. Our mineral sands business will consist primarily of two product streams titanium feedstock and zircon. Titanium feedstock is used primarily to manufacture TiO_2 Zircon, a hard, glossy mineral, is used for the manufacture of ceramics, refractories, TV glass and a range of other industrial and chemical products. In addition, we produce electrolytic manganese dioxide (EMD), sodium chlorate, boron-based and other specialty chemicals.

For the year ended December 31, 2011, we had pro forma net sales of $2,305.8 million, pro forma adjusted EBITDA of $843.8 million and pro forma income from continuing operations attributable to Tronox Limited of $497.2 million.

TiO_2 Operations

We will be the world s third-largest producer and marketer of TiO_2 manufactured via chloride technology. We will have global operations in the Americas, Europe and the Asia-Pacific region. Our assured feedstock supply and global presence, combined with a focus on providing customers with world-class products, end-use market expertise and strong technical support, will allow us to continue to sell products to a diverse portfolio of customers in various regions of the world, with most of whom we have well-established relationships.

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We will continue to supply and market TiO_2 under the brand name TRONOX® to more than 1,000 customers in approximately 90 countries, including market leaders in each of the key end-use markets for TiO_2 and have supplied each of our top ten customers with TiO_2 for more than 10 years. These top ten customers represented approximately 36.5% of our total TiO_2 sales volume in 2011. The tables below summarize our 2011 TiO_2 sales volume by geography and end-use market:

2011 Sales Volume by Geography		2011 Sales Volume by End-Use Market	
North America	38.5%	Paints and Coatings	77.1%
Latin America	7.5%	Plastics	19.9%
Europe	22.5%	Paper and Specialty	3.0%
Asia-Pacific	31.5%		

We will continue to operate three TiO_2 facilities at Hamilton, Mississippi, Botlek, The Netherlands and Kwinana, Australia representing 465,000 tonnes of annual TiO_2 production capacity. We are one of a limited number of TiO_2 producers in the world with chloride production technology, which we believe is preferred for many of the largest end-use applications compared to TiO_2 manufactured by other TiO_2 production technologies. We hold more than 200 patents worldwide and have a highly skilled work force.

Mineral Sands Operations

Our mineral sands operations will consist of two product streams titanium feedstock, which includes ilmenite, natural rutile, titanium slag and synthetic rutile, and zircon, which is contained in the mineral sands we extract to capture our natural titanium feedstock. Based on Exxaro s internal estimates and data reported by TZMI, in 2010 Exxaro Mineral Sands (including 100% of the Tiwest Joint Venture) was the third-largest titanium feedstock producer with approximately 10% of global titanium feedstock production and the second-largest zircon producer with approximately 20% of global zircon production. We will operate three separate mining operations: KZN Sands and Namakwa Sands located in South Africa and Tiwest located in Australia, which have a combined production capacity of 723,000 tonnes of titanium feedstock and 265,000 tonnes of zircon.

Titanium feedstock is the most significant raw material used in the manufacture of TiO_2. We believe annual production of titanium feedstock from our mineral sands operations will continue to exceed the raw material supply requirement for our TiO_2 operations. Zircon is primarily used as an additive in ceramic glazes, a market which has grown substantially during the previous decade and is favorably exposed to long-term development trends in the emerging markets, principally China.

The table set forth under The Businesses Description of Exxaro Mineral Sands Properties and Reserves Mineral Resources and Reserves summarizes Exxaro Mineral Sands s proven and probable ore reserves and estimated mineral resources as of December 31, 2011.

The mineral sands operations also produce high purity pig iron as a co-product. It is typically low in manganese, phosphorus and sulfur and is sold to foundries as a dilutant for trace elements and to steel producers for iron units.

Electrolytic and Other Chemical Products Operations

Our electrolytic and other chemical products operations are primarily focused on advanced battery materials, sodium chlorate and specialty boron products. Battery material end-use applications include alkaline batteries for flashlights, electronic games, medical and industrial devices as well as lithium batteries for power tools, hybrid electric vehicles, laptops and power supplies. Sodium chlorate is used in the pulp and paper industry in pulp bleaching applications. Specialty boron product end-use applications include semiconductors, pharmaceuticals, high-performance fibers, specialty ceramics and epoxies as well as igniter formulations.

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We operate two electrolytic and other chemical facilities in the United States: one in Hamilton, Mississippi producing sodium chlorate and one in Henderson, Nevada producing EMD and boron products.

Industry Background and Outlook

TiO_2 Industry Background and Outlook

TiO_2 is used in a wide range of products due to its ability to impart whiteness, brightness and opacity. TiO_2 is used extensively in the manufacture of coatings, plastics and paper and in a wider range of other applications, including inks, fibers, rubber, food, cosmetics and pharmaceuticals. TiO_2 is a critical component of everyday consumer applications due to its superior ability to cover or mask other materials effectively and efficiently relative to alternative white pigments and extenders. We believe that, at present, TiO_2 has no effective substitute because no other white pigment has the physical properties for achieving comparable opacity and brightness or can be incorporated in as cost-effective a manner. In addition to us, there are only four other major global producers of TiO_2: E.I. du Pont de Nemours & Co., or Dupont; Millennium Inorganic Chemicals, Inc. (a subsidiary of National Titanium Dioxide Company Ltd.), or Cristal; Huntsman Corporation; and Kronos Worldwide Inc. Collectively, these five producers accounted for more than 60% of the global market in 2010, according to TZMI.

Based on publicly reported industry sales by the leading TiO_2 producers, we estimate that global sales of TiO_2 in 2010 exceeded 5.3 million tonnes, generating approximately $12 billion in industry-wide revenues. As a result of strong underlying demand and high TiO_2 capacity utilization, TiO_2 selling prices increased significantly in 2010 and have continued to increase in 2011. We believe average prices will continue to increase through the medium term due to the supply/demand dynamics and favorable outlook in the TiO_2 industry. We believe demand for TiO_2 from coatings, plastics and paper and specialty products manufacturers will continue to increase due to increasing per capita consumption in Asia and other emerging markets whereas we believe supply of TiO_2 is constrained due to already high capacity utilization, and lack of publically announced new construction of additional greenfield production facilities, and limited incremental titanium feedstock supply available even if new production plants were to be constructed. At present, publicly reported TiO_2 industry capacity expansions are almost exclusively through debottlenecking initiatives resulting in relatively modest industry-wide capacity additions.

TiO_2 is produced using one of two commercial production processes: the chloride process and the sulfate process. The chloride process is a newer technology, and we believe it has several advantages over the sulfate process: it generates less waste, uses less energy, is less labor intensive and permits the direct recycle of a major process chemical, chlorine, back into the production process. Commercial production of TiO_2 results in one of two different crystal forms, either rutile or anatase. Rutile TiO_2 is preferred over anatase TiO_2 for many of the largest end-use applications, such as coatings and plastics, because its higher refractive index imparts better hiding power at lower quantities than the anatase crystal form and it is more suitable for outdoor use because it is more durable. Although rutile TiO_2 can be produced using either the chloride process or the sulfate process, customers often prefer rutile produced using the chloride process. All of our global production capacity utilizes the chloride process to produce rutile TiO_2.

The primary raw materials that are used to produce TiO_2 are various types of titanium feedstock, which include ilmenite, rutile, leucoxene, titanium slag (chloride slag and sulfate slag), upgraded slag and synthetic rutile. Based on TZMI titanium feedstock price forecasts and our own internal calculations, we estimate that global sales of titanium feedstock in 2010 exceeded 9.1 million tonnes, generating approximately $2.3 billion in industry-wide revenues. Titanium feedstock supply is currently experiencing supply constraints due to the depletion of legacy ore bodies, lack of investment in mining new deposits, and high risk and long lead time (typically up to 5 years) in starting new projects. At present, titanium feedstock industry capacity expansions are extremely limited and are expected to remain so over the medium term. Titanium feedstock prices, which are

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typically determined by multi-year contracts, have been slower to respond to these market conditions due to contractual protections in legacy contracts. As these legacy contracts are negotiated and renewed, we believe the supply/demand outlook will remain tight in the titanium feedstock industry in the coming years. Although it is widely known that a number of new titanium feedstock projects are currently being evaluated, including Sheffield Resources Limited s Yandanooka heavy mineral sands project near Eneabba, Western Australia, which is currently in the exploration stage, and Image Resources NL s North Perth Basin mineral sands project in Western Australia, for which Image Resources began a feasibility study in November 2011, many of these projects remain at the investigation stage and it is not anticipated that all reported projects will ultimately come into commercial production.

Zircon Industry Background and Outlook

Zircon is a mineral which is primarily used as an additive in ceramic glazes to provide whiteness, brightness and opacity as well as to add hardness which makes the ceramic glazes more water, chemical, and abrasion resistant. Zircon is also used for the production of zirconium and zirconium chemicals, in refractories, as a molding sand in foundries and for TV glass, where it is noted for its structural stability at high temperatures and resistance to abrasive and corrosive conditions. TZMI has estimated that approximately three-quarters of the total global zircon supply comes from South Africa and Australia. The top three zircon suppliers in 2010 were Iluka, Exxaro Mineral Sands (including 100% of the Tiwest Joint Venture) and Richards Bay Minerals, representing approximately 33%, 20% and 17%, respectively, of the total zircon production.

TZMI estimates that global sales of zircon in 2010 were approximately 1.3 million tonnes. As a result of strong underlying demand, zircon selling prices increased significantly both in 2010 and 2011. The value of zircon has increased primarily as a result of increasing demand for ceramic tiles, plates, dishes and industrial products in emerging markets, principally China. We believe the supply/demand outlook will remain tight in the zircon industry. Although demand softened in the three months ended December 31, 2011 and may remain soft in the first quarter of 2012, we believe demand for zircon will continue to increase due to broad trends in urbanization and industrial development in emerging markets, principally China.

Our Competitive Strengths

Leading Global Market Positions

We will be among the world s largest producers and marketers of TiO_2 products with approximately 8% of reported industry capacity in 2010, and one of the world s largest integrated TiO_2 producers. We are the world s third-largest producer and supplier of TiO_2 manufactured via chloride technology, which we believe is preferred for many applications compared to TiO_2 manufactured by other TiO_2 production technologies. In 2010, we were the third-largest titanium feedstock producer with approximately 10% of global titanium feedstock production and the second-largest zircon producer with approximately 20% of global zircon production. Additionally, our fully integrated and global production facilities and sales and marketing presence in the Americas, Europe, Africa and the Asia-Pacific region enables us to provide customers in over 90 countries with a reliable supply of our products. The diversity of the geographic regions we serve increases our exposure to faster growing geographies, such as the Asia-Pacific region, and also mitigates our exposure to regional economic downturns because we can shift supply from weaker to stronger regions. We believe our relative size and vertical integration will provide us with a competitive advantage in retaining existing customers and obtaining new business.

Well Positioned to Capitalize on Trends in the TiO_2 and Zircon Industries

We believe the markets in which we participate are, and will remain for the short and medium term, supply constrained, by which we mean that, into the medium term, we anticipate no extended periods during which the supply of higher grade titanium feedstock, TiO_2 and zircon will significantly exceed demand for each of these products. Moreover, we expect that these conditions will become more pronounced as demand continues to grow

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faster than supply. Because our production of titanium feedstock exceeds our required consumption, we believe that we will be well positioned to benefit from these market conditions. We will assure ourselves of the requisite supply for our TiO_2 operations and we will share in the financial benefits at both the mineral sands and TiO_2 levels of the supply chain.

Vertically Integrated Platform with Security of Titanium Feedstock Supply

The vertical integration of titanium feedstock and TiO_2 production will provide us with a secure and cost competitive supply of high grade titanium feedstock over the long term. We believe that because we intend to continue to purchase feedstock from third party suppliers and sell feedstock to third party customers, both the financial impact of changes in the feedstock market and our assurance of feedstock supply will place us at an advantage relative to our competitors. This will provide the company with a competitive advantage in customer contracting and production reliability as well as create strategic opportunities to debottleneck and add new TiO_2 capacity at the appropriate times based on industry conditions.

Low Cost and Efficient Production Network

We believe our TiO_2 operations, and specifically our plant in Hamilton, Mississippi, are among the lowest cost producers of TiO_2 globally. This is of particular importance as it positions New Tronox to be competitive through all facets of the TiO_2 cycle. Moreover, our three TiO_2 production facilities are strategically positioned in key geographies. The Hamilton facility is the third largest TiO_2 production facility in the world and has the size and scale to service customers in North America and around the globe. The Tiwest Joint Venture, located in Australia, is well positioned to service growing demand from Asia. Our Botlek facility, located in the Netherlands, services our European customers and certain specialized applications globally. Combined with Exxaro Mineral Sands s titanium feedstock assets in South Africa and Australia, this network of TiO_2 and titanium feedstock facilities will give us the flexibility to optimize asset and feedstock utilization and generate operational, logistical and market efficiencies.

TiO_2 and Titanium Feedstock Production Technology

We are one of a limited number of TiO_2 producers in the world with chloride production technology. Our production capacity exclusively uses this process technology, which is the subject of numerous patents worldwide. Although we do not operate sulfate process plants and therefore cannot make a direct comparison, we believe the chloride production process generates less waste, uses less energy and is less labor intensive than the alternative sulfate process. Additionally, our titanium feedstock operations in South Africa and Australia are one of a limited number of feedstock producers with the expertise and technology to produce upgraded titanium feedstock (i.e., synthetic rutile and chloride slag) for use in the chloride process.

Innovative, High-Performance Products

We offer innovative, high-performance products for nearly every major TiO_2 end-use application. We seek to develop new products and enhance our current product portfolio to better serve our customers and respond to the increasingly stringent demands of their end-use sectors. Our new product development pipeline has yielded successful grade launches specifically targeting the plastics markets. In addition, we have completed mid-cycle improvement initiatives on our key coatings grades resulting in more robust products across a wide range of coatings formulations.

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Experienced Management Team and Staff

The diversity of our management team s business experience provides a broad array of skills that contributes to the successful execution of our business strategy. Our TiO_2 operations team and plant managers, who have an average of 31 years of manufacturing experience, participate in the development and execution of strategies that have resulted in production volume growth, production efficiency improvements and cost reductions. Our mineral sands operations team and plant managers have a deep reservoir of experience in mining, engineering and processing skills gained over many years in various geographies. Additionally, the experience, stability and leadership of our sales organization have been instrumental in growing sales, developing and expanding customer relationships.

Business Strategy

Our business strategy is to enhance our shareholder equity value by optimizing the beneficial effects of our present business attributes. More specifically, we will seek to manage our purchases (which we intend to continue) and sales of titanium feedstock in such a manner as to assure that we do not experience any material feedstock shortages that would require us to slow or interrupt our TiO_2 production. In addition, we intend to direct titanium feedstock to those markets (including, but not limited to, our three owned plants) in a manner that maximizes our returns over the longer term while maintaining our assured supply conditions.

We also believe that we can benefit from employing our substantial fixed cost base to produce additional TiO_2. Therefore, enhancing the efficiency of our operations is important in achieving our vision.

We seek to be a significant participant in those markets that produce above average returns for our shareholders rather than be exclusively focused on becoming the largest TiO_2 or mineral sands producer.

Beyond this, our strategy includes the following components:

Maintain Operational Excellence

We are continually evaluating our business to identify opportunities to increase operational efficiency throughout our production network with a focus on maintaining operational excellence and maximizing asset efficiency. Our focus on enhancing operational excellence positions us to maximize yields, minimize operating costs and meet market growth over the short term without investing additional capital for capacity expansion. In addition, we intend to continue focusing on increasing manufacturing efficiencies through selected capital projects, process improvements and best practices in order to maximize yields, lower unit costs and improve our margins.

Leverage Our Low-Cost Production Network and Vertical Integration to Deliver Profitability and Cash Flow

We presently have TiO_2 manufacturing facilities designed to produce approximately 465,000 tonnes of TiO_2 annually. We expect that (assuming variable costs per tonne remain constant or decline) increased production from this fixed cost base should increase margins and profitability. In addition, by assuring ourselves of the availability of the supply of titanium feedstock that these production facilities require, and by participating in the profitability of the mineral sands market directly, we have several different means of optimizing profitability and cash flow generation.

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Ore-In Use Optimization

We will take advantage of the integrated nature and scale of the combined business, which provides the opportunity to capitalize on a wide range of Exxaro Mineral Sands s titanium feedstock grades due to the ability to optimize internal ore usage and pursue external titanium feedstock end-markets that provide superior profit margins.

Expand Global Leadership

We plan to continue to capitalize on our strong global market position to drive profitability and cash flow by enhancing existing customer relationships, providing high quality products and offering technical expertise to our customers. Furthermore, our vertically integrated global operations will provide us with a solid platform for future growth in the TiO_2, titanium feedstock, zircon and pig iron markets. Our broad product offering will allow us to participate in a variety of end-use sectors and pursue those market segments that we believe have attractive growth prospects and profit margins. Our operations will position us to participate in developing regions such as Asia, Eastern Europe and Latin America, which we expect to provide attractive growth opportunities. We will also seek to increase margins by focusing our sales efforts on those end-use segments and geographic areas that we believe offer the most attractive growth prospects and where we believe we can realize relatively higher selling prices over the long-term than in alternate sectors. We believe our global operations network, distribution infrastructure and technology will enable us to continue to pursue global growth.

Maintain Strong Customer Focus

We will target our key customer groups with innovative, high-performance products that provide enhanced value to our customers at competitive prices. A key component of our business strategy will be to continually enhance our product portfolio with high-quality, market-driven product development. We design our TiO_2 products to satisfy our customers specific requirements for their end-use applications and align our business to respond quickly and efficiently to changes in market demands. In this regard, and in order to continue meeting our customers needs, we recently commercialized a new TiO_2 grade for the durable plastics sector and developed several additional products for other strategic plastic applications in close cooperation with our customer base. We continue to execute on product improvement initiatives for our major coatings products. These improvement strategies will provide value in the form of better optical properties, stability, and durability to our coatings customers. Further, new and enhanced grades are in the pipeline for 2012 and 2013.

In addition, by assuring ourselves of titanium feedstock supply, we assume less risk if we enter into longer term supply contracts with our customers. We believe such contracts may be beneficial to our customers, by assuring a reliable source of supply of TiO_2 from a market in which availability may be threatened under certain foreseeable supply conditions, which could also affect price, and to us, by assuring predictable sales, revenue and margin performance for some of our sales. Because we are one of the few global TiO_2 producers that are integrated, we believe we can enter into such longer term agreements including specific economic terms with less risk than our competitors who do not have 100% assured supply. If our customers also see benefit to them in entering into such agreements, we will consider doing so.

Risk Factors

New Tronox will be subject to numerous risks as more fully described in the section entitled Risk Factors beginning on page 36. These risks include, among others:

- market conditions, global and regional economic downturns and cyclical factors that adversely affect the demand for end use products that will contain New Tronox s products could adversely affect the prices at which New Tronox can sell its products;

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that our customers may reduce their demand for our products due to, among other things, economic downturn, more competitive pricing from our competitors, or increased supply from our competitors;

fluctuations in currency exchange rates, in particular the volatility of the U.S. dollar, Australian dollar, or the Rand could have a negative impact on reported sales and operating margin; and

the regulatory environment in the countries in which we operate may have an adverse effect on New Tronox s business, operating results and financial condition.

The Transaction

The Transaction will combine the existing business of Tronox Incorporated with Exxaro Mineral Sands under a new Australian holding company, Tronox Limited. The Transaction will be effectuated in two primary steps. In the first step, Tronox Incorporated will participate in the Mergers to become a subsidiary of Tronox Limited, and each share of Tronox Incorporated common stock will be converted into, at the holder s election, either (i) one Class A Share and an amount in cash equal to $12.50 without interest, or (ii) one Exchangeable Share (subject to the limitations and the proration procedures described in this proxy statement/prospectus), which is exchangeable for one Class A Share and an amount in cash equal to $12.50, without interest. In the second step, Tronox Limited will acquire Exxaro Mineral Sands (including Exxaro s 50% interest in the Tiwest Joint Venture) in exchange for issuance of 9,950,856 Class B Shares of Tronox Limited to Exxaro and one of its subsidiaries. Upon completion of the Transaction, assuming no Tronox Incorporated stockholders elect to receive Exchangeable Shares, former Tronox Incorporated stockholders and Exxaro will hold approximately 61.5% and 38.5%, respectively, of the voting power in Tronox Limited.

Each stockholder of Tronox Incorporated (other than stockholders whose shares of Tronox Incorporated common stock are converted into Exchangeable Shares pursuant to their election and the terms of the Transaction Agreement) will receive Class A Shares of Tronox Limited and cash in the Mergers, and therefore become subject to the Constitution of Tronox Limited and applicable provisions of Australian law. For a discussion of the material differences between the current rights of Tronox Incorporated stockholders and the rights they will have as holders of Class A Shares of Tronox Limited, see Comparative Rights of Stockholders of Tronox Incorporated and Shareholders of Tronox Limited.

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Corporate Structure

The following diagram is a simplified illustration of the structure of Tronox Incorporated and Exxaro before and following completion of the Transaction:

* Assuming no Tronox Incorporated stockholders elect to receive Exchangeable Shares.

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THE OFFERING

Tronox Limited ordinary shares to be outstanding immediately following completion of the Transaction, assuming no Tronox Incorporated stockholders elect to receive Exchangeable Shares	15,238,612 Class A Shares[1] 9,950,856 Class B Shares[2] 25,189,468 total ordinary shares
Warrants to receive Class A Shares outstanding immediately following completion of the Transaction	1,050,097 Warrants[1]
Voting rights	Upon completion of the Transaction, assuming the exchange of all Exchangeable Shares, the former Tronox Incorporated stockholders will own all of the Class A Shares, representing approximately 61.5% of the voting securities of Tronox Limited, and Exxaro will own all of the Class B Shares, representing approximately 38.5% of the voting securities of Tronox Limited. On a poll, a shareholder has one vote for every share held. However, in order to preserve the relative voting proportions, as between Class A Shares and Class B Shares, votes attached to Class A Shares will be proportionately scaled up as long as any Exchangeable Shares exist. Accordingly, while any Exchangeable Shares exist, the number of votes cast by Class A shareholders, or treated as attached to Class A Shares, will be multiplied by the quotient obtained by dividing (i) the aggregate number of issued Class A Shares and issued Exchangeable Shares as at the date of the special meeting by (ii) the aggregate number of issued Class A Shares. Under the terms of the Constitution and the Shareholder s Deed, holders of Class B Shares will have certain rights that differ from those of holders of Class A Shares. For example, for as long as the Class B Voting Interest is at least 20.0%, a separate vote by holders of Class A Shares and Class B Shares is required to approve certain types of mergers or similar transactions that result in a change in control or a sale of all or substantially all of the assets of Tronox Limited, or any reorganization or similar transaction that does not treat Class A Shares and Class B Shares equally. For more information regarding ownership of Class B Shares by Exxaro and the rights associated with Class B Shares, see the sections of this proxy statement/prospectus entitled Description of the Transaction Documents

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	Shareholder s Deed and Governance of Tronox Limited.
Risk factors	See Risk Factors and other information included in this proxy statement/prospectus for a discussion of factors you should consider carefully.
Proposed NYSE symbol	TROX

(1) The amount of Class A Shares and warrants shown to be outstanding assumes that no holder elects to receive Exchangeable Shares and that no holder of warrants elects to exercise such warrants.
(2) Subject to certain exceptions, a Class B Share will automatically convert into a Class A Share when transferred to a person other than an affiliate of Exxaro.

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SUMMARY HISTORICAL AND PRO FORMA FINANCIAL DATA

The following table sets forth summary historical financial data as of the dates and for the periods indicated. The statements of operations and balance sheet data, as of and for the eleven months ended December 31, 2011, one month ended January 31, 2011 and years ended December 31, 2010, 2009 and 2008, have been derived from Tronox Incorporated s audited Consolidated Financial Statements included in this proxy statement/prospectus.

Tronox Limited s unaudited pro forma condensed combined statement of operations for the year ended December 31, 2011, is presented as if the Transaction had been completed on January 1, 2011. The unaudited pro forma condensed combined balance sheet as of December 31, 2011, is presented as if the Transaction had been completed on December 31, 2011.

The historical financial statements have been adjusted in the unaudited pro forma condensed Combined Financial Statements to give effect to pro forma events that are (i) directly attributable to the Transaction; (ii) factually supportable; and (iii) with respect to the unaudited pro forma condensed combined statements of operations, expected to have a continuing impact on the combined results. The unaudited pro forma condensed combined statements of operations do not include non-recurring items, including, but not limited to (i) a bargain purchase gain currently estimated to be realized on the Transaction; (ii) expenses associated with the vesting of certain stock-based compensation arrangements; and (iii) Transaction-related legal and advisory fees. Additionally, certain pro forma adjustments have been made to the historical Combined Financial Statements of Exxaro Mineral Sands in order to (i) convert them to accounting principles generally accepted in the United States (GAAP); (ii) conform their accounting policies to those applied by Tronox Incorporated; and (iii) present them in U.S. dollars.

This information should be read in conjunction with the Tronox Incorporated Condensed Consolidated Financial Statements (including the notes thereto), the Exxaro Mineral Sands Combined Financial Statements (including the notes thereto), Tronox Incorporated Management s Discussion and Analysis of Financial Condition and Results of Operations, Exxaro Mineral Sands Management s Discussion and Analysis of Financial Condition and Results of Operations and Unaudited Pro Forma Condensed Combined Financial Statements appearing elsewhere in this proxy statement/prospectus.

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	Successor	Predecessor		Predecessor		
	Eleven Months Ended December 31, 2011	One Month Ended January 31, 2011	Tronox Limited Pro Forma Combined 2011	Year Ended December 31, 2010	2009	2008
	(Millions of dollars, except per share)					
Statement of Operations Data:						
Net Sales	$ 1,543.4	$ 107.6	$ 2,305.8	$ 1,217.6	$ 1,070.1	$ 1,245.8
Cost of goods sold	(1,104.5)	(82.3)	(1,670.1)	(996.1)	(931.9)	(1,133.4)
Gross Margin	438.9	25.3	635.7	221.5	138.2	112.4
Selling, general and administrative expenses	(151.7)	(5.4)	(131.0)	(59.2)	(71.7)	(114.1)
Litigation/arbitration settlement	9.8		9.8			
Gain on land sales					1.0	25.2
Impairment of long-lived assets(1)					(0.4)	(24.9)
Restructuring charges(2)					(17.3)	(9.6)
Net loss on deconsolidation of subsidiary					(24.3)	
Provision for environmental remediation and restoration, net of reimbursements(3)	4.5		4.5	47.3		(72.9)
Income (Loss) from Operations	301.5	19.9	519.0	209.6	25.5	(83.9)
Interest and debt expense(4)	(30.0)	(2.9)	(73.3)	(49.9)	(35.9)	(53.9)
Gain on liquidation of subsidiary(5)				5.3		
Other income (expense)	(9.8)	1.6	1.3	(13.6)	(10.3)	(9.5)
Reorganization income (expense)		613.6		(144.8)	(9.5)	
Income (Loss) from Continuing Operations before Income tax (provision) benefit	261.7	632.2	447.0	6.6	(30.2)	(147.3)
Income tax benefit (provision)	(20.2)	(0.7)	37.7	(2.0)	1.5	1.8
Income (Loss) from Continuing Operations	241.5	631.5	484.7	4.6	(28.7)	(145.5)
Income (Loss) from Continuing Operations Attributable to Noncontrolling Interest			(12.5)			
Income (Loss) from Continuing Operations Attributable to Tronox Limited			$ 497.2			
Income (Loss) from discontinued operations, net of income tax benefit (provision)(6)		(0.2)		1.2	(9.8)	(189.4)
Net Income (Loss)	$ 241.5	$ 631.3		$ 5.8	$ (38.5)	$ (334.9)
Earnings (Loss) from Continuing Operations per Common Share:						
Basic	$ 16.12	$ 15.29	$ 19.74	$ 0.11	$ (0.70)	$ (3.55)
Diluted	$ 15.46	$ 15.25	$ 19.29	$ 0.11	$ (0.70)	$ (3.55)
Balance Sheet Data:						
Working capital(7)	$ 488.1	$ 458.2	$ 1,082.4	$ 483.4	$ 488.7	$ (246.7)
Property, plant and equipment, net(1)	$ 554.5	$ 317.5	$ 2,887.2	$ 315.5	$ 313.6	$ 347.3
Total assets	$ 1,657.4	$ 1,090.5	$ 4,672.7	$ 1,097.9	$ 1,117.8	$ 1,044.5
Noncurrent liabilities:						
Long-term debt(7)	$ 421.4	$ 420.7	$ 702.9	$ 420.7	$ 423.3	$
Environmental remediation and/or restoration(8)	0.5	0.6		0.6	0.3	546.0
All other noncurrent liabilities	274.5	268.8	411.6	154.0	50.0	125.4
Total liabilities	$ 905.1	$ 848.0	$ 1,445.9	$ 827.6	$ 682.6	$ 1,642.0
Liabilities subject to compromise	$	$ 896.7	$	$ 900.3	$ 1,048.4	$
Total stockholders equity	$ 752.3	$ (654.2)	$ 3,226.8	$ (630.0)	$ (613.2)	$ (597.5)
Supplemental Information:						
Depreciation and amortization expense	$ 79.1	$ 4.1	$ 260.1	$ 50.1	$ 53.1	$ 75.7
Capital expenditures	$ 132.9	$ 5.5	$	$ 45.0	$ 424.0	$ 34.3

EBITDA(9)	$ 370.8	$ 639.0	$ 780.4	$ 107.8	$ 49.0	$ (207.1)
Adjusted EBITDA(9)	$ 468.3	$ 24.3	$ 843.8	$ 203.1	$ 141.5	$ 99.3

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(1) In 2008, Tronox Incorporated recorded impairment charges for long-lived assets of approximately $3.3 million related to Savannah, Georgia, and approximately $21.6 million related to Botlek, Netherlands. See Tronox Incorporated Management s Discussion and Analysis of Financial Condition and Operations Critical Accounting Policies for further discussion of Tronox Incorporated s impairment testing methodology.

(2) Restructuring charges in 2009 were primarily the result of the idling of Tronox Incorporated s Savannah plant. Restructuring charges in 2008 resulted primarily from work force reduction programs, along with asset retirement obligation adjustments.

(3) In 2010, Tronox Incorporated recorded receivables from its insurance carrier related to environmental clean-up obligations at the Henderson facility. Due to the accounting for the KM Legacy Liabilities, as described in Notes 1 and 5 to the annual Consolidated Financial Statements, the obligation for this clean-up work had been recorded in 2008 and prior years. For further details, see Notes 2 and 3 to the annual Consolidated Financial Statements.

(4) Excludes $2.8 million, $33.3 million, $32.1 million and nil in the one month ended January 31, 2011 and the years ended December 31, 2010, 2009 and 2008, respectively, that would have been payable under the terms of the 9.5% senior unsecured notes.

(5) The liquidation of certain holding companies resulted in a non-cash net gain resulting from the realization of cumulative translation adjustments.

(6) See Note 20 to the annual Consolidated Financial Statements included in this proxy statement/prospectus for further information on Income (loss) from discontinued operations.

(7) Working capital is defined as the excess (deficit) of current assets over current liabilities. Due to Tronox Incorporated s financial condition, the entire balance of its outstanding debt of $562.8 million was classified as current obligations as of December 31, 2008, resulting in long-term debt having a balance of nil and working capital being negative. In 2009, the $350.0 million senior unsecured notes were reclassified to Liabilities Subject to Comprise.

(8) As a result of the bankruptcy filing and the KM Legacy Liability accounting, as described in Note 1 to the annual Consolidated Financial Statements, environmental remediation and/or restoration liabilities were reclassified to Liabilities Subject to Compromise in 2009.

(9) EBITDA represents net income (loss) before net interest expense, income tax benefit (provision), and depreciation and amortization expense. Adjusted EBITDA represents EBITDA as further adjusted to reflect the items set forth in the table below.

EBITDA and Adjusted EBITDA, which are used by management to measure performance, are non-GAAP financial measures. Management believes that EBITDA and Adjusted EBITDA are useful to investors, as EBITDA is commonly used in the industry as a means of evaluating operating performance and Adjusted EBITDA is used in our debt instruments to determine compliance with financial covenants. Both EBITDA and Adjusted EBITDA are included as a supplemental measure of our operating performance because they eliminate items that have less bearing on operating performance and highlight trends in the core business that may not otherwise be apparent when relying solely on GAAP financial measures. In addition, Adjusted EBITDA is one of the primary measures management uses for planning and budgeting processes and to monitor and evaluate financial and operating results. EBITDA and Adjusted EBITDA are not recognized terms under GAAP and do not purport to be an alternative to measures of our financial performance as determined in accordance with GAAP, such as net income (loss). Because other companies may calculate EBITDA and Adjusted EBITDA differently than we do, EBITDA may not be, and Adjusted EBITDA as presented herein is not, comparable to similarly titled measures reported by other companies.

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The following table reconciles net income (loss) to EBITDA and Adjusted EBITDA for the periods presented:

	Successor Eleven Months Ended December 31, 2011	Predecessor One Month Ended January 31, 2011	Tronox Limited Pro Forma Combined 2011	Predecessor Year Ended December 31, 2010	2009	2008
	(Millions of dollars, except per share)					
Net income (loss)	$ 241.5	$ 631.3	$ 484.7	$ 5.8	$ (38.5)	$ (334.9)
Interest and debt expense	30.0	2.9	73.3	49.9	35.9	53.9
Income tax provision (benefit)	20.2	0.7	(37.7)	2.0	(1.5)	(1.8)
Depreciation and amortization expense	79.1	4.1	260.1	50.1	53.1	75.7
EBITDA	370.8	639.0	780.4	107.8	49.0	(207.1)
Reorganization expense associated with bankruptcy(a)		45.5		144.8	13.0	
Gain on fresh-start accounting		(659.1)				
Noncash gain on liquidation of subsidiary	(0.2)		(0.2)	(5.3)		
Provision for environmental remediation and restoration, net of reimbursements(b)	(4.5)		(4.5)	(47.3)		72.9
(Income) loss from discontinued operations		0.2	0.2	(1.2)	9.8	189.4
Restructuring costs not associated with the bankruptcy(c)						13.5
Pension and postretirement settlement/curtailments					10.0	26.2
Loss on sale of assets			5.9		(1.0)	(25.2)
Impairment charges(d)					0.4	24.9
Unusual or non-recurring items(e)					24.3	
Litigation settlement	(9.8)		(9.8)			
Plant closure costs		0.1	0.1	1.3	24.5	
Fresh-start inventory mark-up	35.5		35.5			
Stock-based compensation	13.8			0.5	0.2	0.5
Foreign currency remeasurement	7.3	(1.3)	6.0	11.8	15.1	(6.8)
Transaction costs, registration rights penalty and financial statement restatement costs(f)	39.2		14.1			
Other items(g)	16.2	(0.1)	16.1	(9.3)	(3.8)	11.0
Adjusted EBITDA	$ 468.3	$ 24.3	$ 843.8	$ 203.1	$ 141.5	$ 99.3

(a) Tronox Incorporated incurred costs related to the Chapter 11 bankruptcy proceedings. These items include cash and non-cash charges related to contract terminations, prepetition obligations, debtor-in-possession financing costs, legal and professional fees.

(b) In 2010, Tronox Incorporated recorded receivables from its insurance carrier related to environmental clean-up obligations at the Henderson facility. Due to the accounting for the KM Legacy Liabilities, as described in Notes 1 and 5 to the annual Consolidated Financial Statements, the obligation for this clean-up work had been recorded in 2008 and prior years.

(c) Restructuring costs in 2008 resulted primarily from work force reduction programs along with asset retirement obligation adjustments.

(d) In 2008, Tronox Incorporated recorded impairment charges for long-lived assets of approximately $3.3 million related to Savannah, Georgia, and approximately $21.6 million related to Botlek, Netherlands. See Tronox Incorporated Management s Discussion and Analysis of Financial Condition and Operations Critical Accounting Policies for further discussion of our impairment testing methodology.

(e) The 2009 amount represents the net loss on deconsolidation of Tronox Incorporated s German subsidiaries.

(f) Transaction costs and financial statement restatement costs include expenses related to the Transaction of $20.2 million, the registration rights penalty of $2.0 million, fresh-start accounting fees of $2.5 million, costs associated with restating Tronox Incorporated s environmental reserves of $5.1 million and the auditing of the historical financial statements of $3.5 million. Costs associated with the Transaction include professional fees related to due diligence and transaction advice as well as investment banking fees. Additionally, Tronox Incorporated incurred legal fees associated with the exit from bankruptcy and the Transaction of $5.9 million.

(g) Includes noncash pension and postretirement healthcare costs and accretion expense.

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Recommendation of the Board of Tronox Incorporated

The Tronox Incorporated board of directors unanimously determined that the terms of the Transaction, including the Mergers, are advisable, fair to and in the best interests of Tronox Incorporated and its stockholders and approved the Transaction Agreement and the transactions contemplated by the Transaction Agreement, including the Mergers, and unanimously recommends that Tronox Incorporated s stockholders vote **FOR** the Merger Proposal and **FOR** the approval of the Adjournment Proposal. For a further discussion of the Tronox Incorporated board of directors recommendation, see The Transaction Tronox Incorporated s Reasons for the Transaction; Recommendation of the Tronox Incorporated Board of Directors.

Additional Interests of Tronox Executive Officers and Directors in the Transaction

Some of Tronox Incorporated s directors and executive officers have financial interests in the Transaction that may be different from, or in addition to, the interests of Tronox Incorporated stockholders generally. The Tronox Incorporated board of directors was aware of and considered these potential interests, among other matters, in evaluating and negotiating and approving the Transaction Agreement and in recommending the approval of the Merger Proposal and the Adjournment Proposal. For additional discussion about these interests, see The Transaction Additional Interests of Tronox Incorporated Executive Officers and Directors in the Transaction.

The directors, executive officers and their affiliates of Tronox Incorporated hold approximately 1% of the outstanding voting securities in Tronox Incorporated. Pursuant to the terms of the Transaction Agreement, Tronox Incorporated directors, executive officers and their affiliates will receive 215,893 Class A Shares and $2,698,663 in cash, assuming no election of Exchangeable Shares. The Merger Proposal requires the affirmative vote of a majority of the shares of Tronox Incorporated common stock outstanding as of the record date for the special meeting.

Accounting Treatment

The Transaction will be accounted for by Tronox Incorporated using the acquisition method of accounting. Under this method of accounting, the purchase price will be allocated to the fair value of Exxaro Mineral Sands s net assets acquired. Any excess purchase price over the fair value of the net assets acquired will be allocated to goodwill.

Regulatory Matters

Completion of the Transaction is conditioned upon the receipt of orders, approvals or clearances from governmental and regulatory authorities in certain countries, as described in The Transaction Regulatory Matters. As of the date of this proxy statement/prospectus, several orders, approvals or clearances from governmental and regulatory authorities are still pending, including approvals from the Financial Surveillance Department of the South African Reserve Bank and the Minister of the Department of Mineral Resources of the Republic of South Africa.

Third Party Consents; Refinancing

Completion of the Transaction is also conditioned upon the receipt of certain third party consents, including consents from several of Exxaro s lenders, business partners and service providers. In addition, in satisfaction of a condition to completion of the Transaction, Tronox Incorporated closed the refinancing of its existing credit facilities on February 8, 2012.

Termination of the Transaction Agreement; Termination Fee

The Transaction Agreement may be terminated under the following circumstances:

by the mutual consent of Tronox Incorporated and Exxaro;

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by either party if the Transaction is not completed on or prior to June 30, 2012 (which date may be extended to September 30, 2012 under specified circumstances);

by either party upon a material breach of the Transaction Agreement by the other party, which breach will render any of the closing conditions incapable of satisfaction;

by either party if the Transaction is prohibited by any law, regulation or final court order; or

by Exxaro if the Tronox Incorporated board of directors has withdrawn or adversely qualified or modified its recommendation of the Transaction.

In the event the Transaction Agreement is terminated by Exxaro in connection with any withdrawal or adverse qualification or modification of Tronox Incorporated s board of directors recommendation of the Transaction, Tronox Incorporated must pay a termination fee to Exxaro in the amount of $20.0 million.

Appraisal Rights

Pursuant to Section 262 of the General Corporation Law of the State of Delaware (Section 262), Tronox Incorporated stockholders who do not vote in favor of the Merger Proposal and who comply with the applicable requirements of Section 262 have the right to seek appraisal of the fair value of their shares of Tronox Incorporated common stock, as determined by the Delaware Court of Chancery, if the Mergers are completed. It is possible that the fair value as determined by the Delaware Court of Chancery may differ from the consideration to be received in the Transaction. For further discussion of Appraisal Rights, see Appraisal Rights.

Comparative Rights of Stockholders of Tronox Incorporated and Class A Shareholders

The table below summarizes the material differences between the rights of Tronox Incorporated stockholders and the rights of the holders of Class A Shares. For more information, see Comparative Rights of Stockholders of Tronox Incorporated and Shareholders of Tronox Limited.

	Tronox Incorporated Stockholders	**Tronox Limited Shareholders**
Action by Written Consent	Stockholders of Tronox Incorporated may act by written consent in lieu of taking a corporate action at a stockholders meeting.	Any action required or permitted to be taken by holders of Class A Shares or shareholders as a whole must be taken at a shareholders meeting.
Right to Call Special Meetings	Stockholders of Tronox Incorporated do not have the right to call special meetings of stockholders.	Shareholders holding at least 5.0% of the votes that may be cast at a general meeting may call a meeting of shareholders. In addition, the board of directors must call a general meeting upon the request of shareholders with at least 5.0% of the votes that may be cast at the meeting or at least 100 shareholders who are entitled to vote at the meeting.

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	Tronox Incorporated Stockholders	Tronox Limited Shareholders
Board Size and Composition	The board of directors is initially composed of seven directors, which number may be increased or decreased by the vote of a majority of the entire board.	For as long as the Class B Shares represent at least 10.0% of the voting power in Tronox Limited, the board of director must have nine directors, at least six of whom will be elected by holders of Class A Shares, and up to three of whom will be elected by holders of Class B Shares, the exact number of which will depend on the number of Class B Shares owned by Exxaro and its affiliates.
Right to Nominate Directors	Any stockholder of record entitled to vote at a stockholders meeting at which directors are elected may propose director nominations if advance notice for such nominations is delivered in accordance with the procedural requirements set forth in the bylaws.	In order to make director nominations, in addition to complying with the procedural requirements in the Constitution, a shareholder must hold or beneficially own at least 5% of the voting shares of Tronox Limited and have held such shares since the completion of the Transaction or for at least three years.
Removal of Directors	Directors may be removed, with or without cause, by the holders of a majority of the shares entitled to vote at an election of directors.	Class A Directors can be removed only for cause by a majority of the votes attached to all issued Class A Shares at a separate meeting of the holders of Class A Shares. In addition, any Class A Director can be removed, with or without cause, by greater than 50.0% of the votes cast by holders of Class A Shares in favor of such removal, provided that the removal does not take effect until a replacement director is appointed by a resolution passed by a majority of all issued Class A Shares.
Right to Bring Business Proposals Before a Meeting	Any stockholder of record entitled to vote at a stockholders meeting may bring business proposals before the meeting if advance notice for such business proposals is delivered in accordance with the procedural requirements set forth in the bylaws.	In order to bring shareholder resolutions before a general meeting, in addition to complying with the procedural requirements in the Constitution, the resolution must be proposed by shareholders holding at least 5.0% of the votes that may be cast on the resolution, or by 100 shareholders entitled to vote at the meeting. However, the board of directors of Tronox Limited is not required to put a resolution to shareholders unless it is one which the general meeting is competent to consider and pass.

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	Tronox Incorporated Stockholders	Tronox Limited Shareholders
Vote Required to Amend Organizational Documents	Amendment to the certificate of incorporation requires the approval by a majority of the outstanding shares of Tronox Incorporated common stock. The bylaws may be amended by the board of directors or by the stockholders of Tronox Incorporated.	Generally, in addition to requiring board approval and approval by a majority of all issued voting shares, any amendment of the Constitution requires the approval of 75.0% of the votes cast at a general meeting.
Vote Required to Approval Merger or Sale of Assets	The affirmative vote of holders of a majority of the voting power of the outstanding shares of Tronox Incorporated common stock is required to approve any merger, consolidation or sale of all or substantially all of the assets of Tronox Incorporated.	Any merger or similar transaction that would result in shareholders of Tronox Limited owning less than 50.0% of the voting power of Tronox Limited immediately after the transaction, or the sale of all or substantially all of the assets of Tronox Limited, must be approved as follows: if Class B Shares represent at least 20.0% of the voting power in Tronox Limited, by the affirmative vote of a majority of Class A Shares and a majority of Class B Shares, voting as separate classes; if Class B Shares represent less than 20.0% of the voting power in Tronox Limited, by the affirmative vote of a majority of all issued voting shares.
Appraisal Rights	Under Delaware law, Stockholders of Tronox Incorporated have the right to choose not to accept the consideration offered in certain mergers and other transactions to which they did not consent and instead to elect to seek a judicial determination of the fair value of their shares.	Australian law does not provide for appraisal rights.
Limitations on Share Acquisitions	No such limitation.	Any increase in the voting power of any person in Tronox Limited from 20.0% or below to more than 20.0%, or from an ownership level between 20.0% and 90.0%, must be approved by the board of directors of Tronox Limited or by the required vote of Tronox Limited shareholders as set forth in the Constitution.

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	Tronox Incorporated Stockholders	Tronox Limited Shareholders
Sale of Small Parcels	The board of directors does not have the right to sell shares held by stockholders without their consent.	The board of directors may sell a Class A Share that is part of a holding of 100 Class A Shares or less, with or without the consent of the shareholder, if the sale is conducted in accordance with the Constitution.
Right to Inspect Books and Records	Any stockholder may inspect Tronox Incorporated s stock ledger and other books and records for proper purpose upon written demand under oath.	A shareholder may inspect the shareholder register and other statutory registers upon request. A shareholder may apply to the court for an order authorizing the inspection of other books and records of Tronox Limited, and the court may issue such order only if the inspection is for a proper purpose.

Material U.S. Federal Income Tax Consequences of the Transaction

In the opinion of our U.S. tax counsel, Kirkland & Ellis LLP, for U.S. federal income tax purposes, the exchange of a share of Tronox Incorporated common stock for a Class A Share and an amount in cash equal to $12.50 without interest will be a taxable exchange for a U.S. Holder (as defined in The Transaction Material U.S. Federal Income Tax Consequences of the Transaction). The U.S. federal income tax consequences to a U.S. Holder who receives Exchangeable Shares in exchange for shares of Tronox Incorporated common stock pursuant to the Mergers are not entirely clear because there is no definitive precedent regarding the U.S. federal income tax treatment of Exchangeable Shares. Subject to the foregoing, the exchange of a share of Tronox Incorporated common stock for an Exchangeable Share should not be a taxable exchange for a U.S. Holder unless and until such Exchangeable Share is exchanged into a Class A Share and an amount in cash equal to $12.50 without interest. If this position were successfully challenged, the exchange of a share of Tronox Incorporated common stock for an Exchangeable Share would instead be a taxable exchange for a U.S. Holder. In contrast, for U.S. federal income tax purposes, none of (i) the exchange of a share of Tronox Incorporated common stock for a Class A Share and an amount in cash equal to $12.50 without interest, (ii) the exchange of a share of Tronox Incorporated common stock for an Exchangeable Share or (iii) the subsequent exchange of an Exchangeable Share into a Class A Share and an amount in cash equal to $12.50 without interest will be subject to U.S. federal income tax for a Non-U.S. Holder (as defined in The Transaction Material U.S. Federal Income Tax Consequences of the Transaction), in each case unless certain exceptions apply. Tax circumstances may be different in jurisdictions outside the United States. Each taxpayer should seek advice based on the taxpayer s particular circumstances from an independent tax advisor.

We provide a more complete description of the material U.S. federal income tax consequences of the Transaction under the heading The Transaction Material U.S. Federal Income Tax Consequences of the Transaction.

Tronox Incorporated s Information

Tronox Incorporated s principal executive offices are located at 3301 N.W. 150th Street, Oklahoma City, Oklahoma 73134. Tronox Incorporated s telephone number is (405) 775-5000.

Tronox Limited s Information

Following completion of the Transaction Tronox Limited s executive offices will be located at 3301 N.W. 150th Street, Oklahoma City, Oklahoma 73134. Tronox Limited s telephone number will be (405) 775-5000.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus contains forward-looking statements that are subject to risks and uncertainties. All statements other than statements of historical fact included in this proxy statement/prospectus are forward-looking statements. Forward-looking statements give our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as anticipate, estimate, expect, project, plan, intend, believe, may, will, should, can have, likely and similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events. For example, all statements we make relating to our estimated and projected costs, expenditures, cash flows, growth rates and financial results, our plans and objectives for future operations, growth or initiatives, or strategies or the expected outcome or impact of pending or threatened litigation are forward-looking statements. All forward-looking statements are subject to risks and uncertainties, including those set forth under Risk Factors beginning on page 36, that may cause actual results to differ materially from those that we expected, including but not limited to:

- the Transaction may not receive necessary consents and approvals, such consents and approvals could impose onerous conditions or the Transaction could be abandoned because of conditions imposed;
- our customers potentially reducing their demand for our products due to, among other things, the economic downturn, more competitive pricing from our competitors, or increased supply from our competitors;
- conditions to completion of the Transaction may not be satisfied;
- New Tronox may be unable to successfully integrate the existing business of Tronox Incorporated and Exxaro Mineral Sands;
- the existing business may be subject to various uncertainties and contractual and strategic restrictions while the Transaction is pending that could cause business disruption;
- New Tronox may not achieve the cost savings, operating efficiencies and other benefits expected;
- New Tronox may be adversely affected by other economic, business and/or competitive factors; and
- New Tronox may not get the required regulatory approvals or third party consents to expand the business, or new regulations may impact New Tronox s operations or affect its profitability.

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RISK FACTORS

In addition to the other information included and incorporated by reference into this proxy statement/prospectus, including the matters addressed in Cautionary Note Regarding Forward-Looking Statements, Tronox Incorporated stockholders should carefully consider the following risks before deciding how to vote. In addition, you should read and consider the risks associated with each of the businesses of Tronox Incorporated and Exxaro Mineral Sands because those risks will also affect Tronox Limited. You should also read and consider the other information in this proxy statement/prospectus and the other documents incorporated by reference into this proxy statement/prospectus. See Where You Can Find More Information.

Risks Related to the Transaction

Exxaro will receive a number of Class B Shares representing a fixed percentage of the voting securities of Tronox Limited, and the percentage will not be adjusted even if the value of Exxaro Mineral Sands declines relative to the value of the businesses of Tronox Incorporated.

Exxaro (directly or through subsidiaries) will receive 9,950,856 Class B Shares in consideration for its sale of Exxaro Mineral Sands, representing approximately 38.5% of the voting securities of Tronox Limited, assuming the exchange of all Exchangeable Shares. In addition, Exxaro may exchange its retained ownership interest in the South African operations that are part of Exxaro Mineral Sands for additional Class B Shares under certain circumstances, which could result in Exxaro owning approximately 41.7% of the voting shares of Tronox Limited after such exchange (based on the total number of issued voting shares immediately after completion of the transactions contemplated by the Transaction Agreement and assuming the exchange of all Exchangeable Shares and no subsequent issuances of Tronox Limited shares). Exxaro s percentage ownership in Tronox Limited upon completion of the Transaction is fixed under the Transaction Agreement and will not change to adjust for changes in the business performance or financial results of Exxaro Mineral Sands or Tronox Incorporated. Accordingly, if the value of Exxaro Mineral Sands declines relative to the value of the businesses of Tronox Incorporated prior to completion of the Transaction, Exxaro s percentage ownership in Tronox Limited may exceed its relative contribution to Tronox Limited in the Transaction.

The Transaction is subject to the receipt of consents or approvals from third parties and governmental and regulatory authorities that could delay completion of the Transaction, require Tronox Limited to accept onerous conditions or cause Tronox Incorporated and Exxaro to abandon the Transaction.

Completion of the Transaction is conditioned upon the receipt of third party consents and orders, approvals or clearances from governmental and regulatory authorities in certain countries, as described in The Transaction Regulatory Matters and The Transaction Exxaro Third Party Consents. As of the date of this proxy statement/prospectus, several third party consents and orders, approvals or clearances of governmental and regulatory authorities are still pending, including approvals from the Financial Surveillance Department of the South African Reserve Bank and the Minister of the Department of Mineral Resources of the Republic of South Africa. The special meeting of Tronox Incorporated s stockholders at which the Merger Proposal will be considered may take place before all of these required third party consents and regulatory approvals have been obtained and before all conditions to such consents and approvals, if any, are known. In this event, if the Merger Proposal is approved, Tronox Incorporated and Exxaro may subsequently fail to obtain all of the required third party consents and regulatory approvals or agree to conditions to such consents and approvals without seeking further stockholder approval, even if such conditions could have an adverse effect on Tronox Incorporated, Exxaro Mineral Sands or Tronox Limited.

Tronox Limited and Tronox Incorporated cannot provide assurance that all required third party consents or regulatory approvals will be obtained or that these consents or approvals will not contain terms, conditions or restrictions that would be detrimental to New Tronox after completion of the Transaction. If the delays in obtaining the required third party consents and regulatory approvals are substantial, or if either Tronox Incorporated or Exxaro is required to accept conditions that it believes would cause a material adverse effect to its business, the parties may decide to abandon the Transaction.

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The existing businesses of Tronox Incorporated and Exxaro Mineral Sands will be subject to various uncertainties and contractual and strategic restrictions while the Transaction is pending that may cause disruption and could adversely affect their financial results.

Uncertainty about the Transaction s effect on employees, suppliers and customers may have an adverse effect on Tronox Incorporated s and Exxaro Mineral Sands s existing businesses. These uncertainties may impair their ability to attract, retain and motivate key personnel until the Transaction is completed and for a period of time thereafter, as employees and prospective employees may experience uncertainty about their future roles with Tronox Limited. These uncertainties also could cause customers, suppliers and others who deal with Tronox Incorporated and Exxaro Mineral Sands to seek to change their existing business relationships prior to or after completion of the Transaction. The pursuit of the Transaction and the preparation for the integration also is placing a significant burden on management and internal resources. Any significant diversion of management attention away from ongoing business concerns and any difficulties encountered in the transition and integration process could affect the financial results of Tronox Incorporated, Exxaro Mineral Sands or Tronox Limited.

In addition, the Transaction Agreement restricts each of Tronox Incorporated and Exxaro, without the other s consent, from making certain acquisitions and taking other specified actions while the Transaction is pending, and Tronox Incorporated and Exxaro each is restricted from soliciting or participating in strategic discussions with other potential acquirers until completion of the Transaction. See Description of the Transaction Documents The Transaction Agreement Agreements of Tronox Incorporated and Exxaro. These restrictions may prevent Tronox Incorporated from pursuing otherwise attractive business or strategic opportunities and making other changes to its businesses prior to completion of the Transaction or termination of the Transaction Agreement, and other potential strategic partners may be discouraged from considering or proposing an acquisition of Tronox Incorporated even if they are prepared to agree to terms that are more favorable to Tronox Incorporated and its stockholders than those proposed in the Transaction. While the Tronox Incorporated board of directors may withdraw, qualify or adversely modify its recommendation of the Transaction if failure to do so would be inconsistent with its fiduciary duties (including in connection with an acquisition proposal with more favorable terms), Exxaro has the right to terminate the Transaction Agreement if the Tronox Incorporated board of directors effects such a change in recommendation, and Tronox Incorporated will have to pay Exxaro a $20.0 million termination fee (as further discussed under Description of the Transaction Documents The Transaction Agreement Termination Fees).

If completed, the Transaction may not achieve its anticipated results, and Tronox Limited may be unable to integrate the existing business of Tronox Incorporated and Exxaro Mineral Sands in the manner expected.

Tronox Incorporated entered into the Transaction Agreement with Exxaro expecting various benefits, including, among other things, cost savings and operating efficiencies in the combined company, as further described under The Businesses Our Competitive Strengths and The Businesses Business Strategy. Achieving the Transaction s anticipated benefits is subject to a number of uncertainties, including whether the existing businesses of Tronox Incorporated and Exxaro Mineral Sands can be integrated in an efficient, effective and timely manner in line with current expectations.

The integration process may take longer or cost more than anticipated and could result in the loss of valuable employees, the disruption of the ongoing businesses, processes and systems or inconsistencies in standards, controls, procedures, practices, policies and compensation arrangements, any of which could adversely affect Tronox Limited s ability to achieve the anticipated benefits of the Transaction as and when expected. Tronox Limited s results of operations could also be adversely affected by any issues attributable to the operations of Tronox Incorporated or Exxaro Mineral Sands that arise or are based on events or actions that occur prior to completion of the Transaction. Tronox Limited may have difficulty addressing possible differences in corporate cultures and management philosophies. Failure to achieve these anticipated benefits could result in increased costs or decreased revenues and could adversely affect Tronox Limited s future business, financial condition, operating results and prospects.

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The Transaction may not be accretive to the earnings of Tronox Incorporated s business, which may negatively affect the market price of the Class A Shares.

We currently anticipate that the Transaction will be accretive to our future earnings. This expectation is based on preliminary estimates that are subject to change. We could also encounter additional transaction and integration-related costs, fail to realize all of the benefits anticipated in the Transaction or be subject to other factors that affect preliminary estimates. Any of these factors could cause a decrease in our adjusted earnings per share or decrease or delay the expected accretive effect of the Transaction and contribute to a decrease in the price of the Class A Shares.

The intended benefits of Tronox Limited s corporate rationalization plan may not be realized.

Tronox Limited intends to implement a plan for the rationalization of its corporate and organizational structure in connection with the contribution of Tronox Incorporated s businesses and Exxaro Mineral Sands to Tronox Limited. Although Tronox Limited believes that the steps and strategies contained in its corporate rationalization plan are reasonable, Tronox Limited may not be able to fully implement the plan as currently anticipated and without delay and, when implemented, the corporate rationalization plan may not result in the benefits to Tronox Limited and its shareholders that it currently anticipates.

The transaction fees and transaction-related costs incurred by Tronox Incorporated and Tronox Limited may not be offset by the benefits realized in connection with the Transaction.

Tronox Incorporated, prior to completion of the Transaction, and Tronox Limited, following completion of the Transaction, expect to incur a number of non-recurring expenses, totaling approximately $ million, associated with completing the Transaction, as well as expenses related to combining the operations of Tronox Incorporated and Exxaro Mineral Sands. Although we expect that the elimination of many duplicative costs, as well as the realization of other efficiencies related to the integration of the two businesses, will offset the incremental Transaction and related costs over time, Tronox Limited may not achieve this net benefit in the near term, or at all.

The opinions rendered to the Tronox Incorporated board of directors by its financial advisors were based on the respective financial analyses they performed, which considered factors such as market and other conditions then in effect, and financial forecasts and other information made available to them, as of the date of their respective opinions. As a result, these opinions do not reflect changes in events or circumstances after the date of these opinions.

The opinions rendered to the Tronox Incorporated board of directors by its financial advisors were provided in connection with, and at the time of, the Tronox Incorporated board of directors s evaluation of the Transaction. The opinions were necessarily based on the respective financial analyses performed, which considered market and other conditions then in effect, and financial forecasts and other information made available to them, as of the date of their respective opinions, which may have changed after the date of the opinions. The opinions did not speak as of the time that the Transaction would be completed or as of any date other than the date of such opinions, and the Tronox Incorporated board of directors does not anticipate asking the financial advisors to update their opinions. For more information, see The Transaction Opinions of Financial Advisors to Tronox Incorporated.

Directors and executive officers of Tronox Incorporated may have financial interests in the Transaction that may be different from, or in addition to, those of other Tronox Incorporated stockholders, which could have influenced their decisions to support or approve the Transaction.

In considering whether to approve the proposals at the special meeting, Tronox Incorporated stockholders should recognize that directors and executive officers of Tronox Incorporated have interests in the Transaction that may differ from, or that are in addition to, those of other Tronox Incorporated stockholders. These interests may include, among others, continued service as a director or an executive officer of Tronox Limited, accelerated vesting of some equity awards, arrangements that provide for severance benefits if certain executive officers

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employment is terminated under specified circumstances following completion of the Transaction and rights to indemnification and directors and officers liability insurance that will survive completion of the Transaction. The Tronox Incorporated board of directors was aware of these interests at the time it approved the Transaction Agreement. These interests may cause Tronox Incorporated s directors and executive officers to view the Transaction differently from how you may view it as a stockholder. See The Transaction Additional Interests of Tronox Incorporated Executive Officers and Directors in the Transaction.

The Mergers will result in a taxable gain to certain U.S. Holders of shares of Tronox Incorporated common stock.

In the opinion of our U.S. tax counsel, Kirkland & Ellis LLP, for U.S. federal income tax purposes, the exchange of a share of Tronox Incorporated common stock into a Class A Share and an amount in cash equal to $12.50, without interest, will be a taxable exchange for a U.S. Holder (as defined below). The U.S. federal income tax consequences to a U.S. Holder who receives Exchangeable Shares in exchange for shares of Tronox Incorporated common stock pursuant to the Mergers are not entirely clear because there is no definitive precedent regarding the U.S. federal income tax treatment of Exchangeable Shares. Subject to the foregoing, the exchange of a share of Tronox Incorporated common stock into an Exchangeable Share should not be a taxable exchange for a U.S. Holder unless and until such Exchangeable Share is exchanged into a Class A Share and an amount in cash equal to $12.50, without interest. If this position were successfully challenged, the exchange of a share of Tronox Incorporated common stock for an Exchangeable Share would instead be a taxable exchange for a U.S. Holder.

A U.S. Holder who receives Class A Shares and cash in exchange for its shares of Tronox Incorporated common stock will recognize gain or loss for U.S. federal income tax purposes equal to the difference between (i) the sum of the fair market value, as of the exchange date, of the Class A Shares and cash received in the exchange and (ii) the U.S. Holder s U.S. federal income tax basis in its shares of Tronox Incorporated common stock. Gain or loss recognized on the exchange of shares of Tronox Incorporated common stock will be capital gain or loss if such stock is held as a capital asset, unless certain exceptions apply, and is calculated by lot where the U.S. Holder owns shares of Tronox Incorporated common stock with varying per share tax basis or holding periods. Capital gains of non-corporate Holders derived with respect to capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. The U.S. federal income tax consequences to particular Tronox Incorporated stockholders will depend in part on their individual circumstances.

In the event the shares of Tronox Incorporated common stock held by holders who elect to receive Exchangeable Shares represent less than 5.0% of the aggregate number of shares of Tronox Incorporated common stock outstanding on the record date of the special meeting, all elections to receive Exchangeable Shares will be treated as elections to receive the Default Consideration and no Exchangeable Shares will be issued in the Mergers.

We provide a more complete description of the material U.S. federal income tax consequences of the Transaction under the heading The Transaction Material U.S. Federal Income Tax Consequences of the Transaction.

WE URGE YOU TO CONSULT YOUR OWN TAX ADVISOR REGARDING YOUR PARTICULAR TAX CONSEQUENCES OF THE TRANSACTION.

Changes in laws, including tax law changes, could adversely affect the Transaction s anticipated tax treatment to Tronox Incorporated s stockholders and Tronox Limited s shareholders.

Changes in tax laws, treaties or regulations or the interpretation or enforcement thereof in the United States, Australia, South Africa, or other jurisdictions in which Tronox Incorporated, Exxaro Mineral Sands and Tronox Limited operates or is resident could adversely affect the tax consequences of the Transaction to Tronox Incorporated, Tronox Limited and their respective shareholders.

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Risks Related to Tronox Incorporated

Tronox Incorporated s financial information following its emergence from bankruptcy is not comparable to Tronox Incorporated s financial information from prior periods.

Effective as of January 31, 2011, as a result of Tronox Incorporated s emergence from bankruptcy, Tronox Incorporated has applied fresh-start accounting. As a result of fresh-start accounting, the accumulated deficit was eliminated and Tronox Incorporated s reorganization value, which represents estimates of the fair value of the entity before considering liabilities and approximates the amount a willing buyer would pay for the assets of the entity immediately after the reorganization, was allocated to the fair value of assets. In addition to fresh-start accounting, Tronox Incorporated s consolidated financial statements reflect all effects of the transactions contemplated by its reorganization plan. Thus, Tronox Incorporated s balance sheets and statements of operations data post-emergence are not comparable in many respects to its consolidated balance sheets and consolidated statements of operations data for periods prior to the application of fresh-start accounting and prior to accounting for the effects of the reorganization.

Risks Related to New Tronox s Business

External Risks

Market conditions, global and regional economic downturns, cyclical factors and risks associated with TiO_2 that adversely affect the demand for the end-use products that contain Tronox Incorporated s TiO_2 or Exxaro Mineral Sands s products could adversely affect the profitability of New Tronox s operations and the prices at which Tronox Limited can sell its products, negatively impacting its financial results.

The majority of Tronox Incorporated s revenue has come from the sale of TiO_2 (85.5% in 2011, 82.3% in 2010 and 81.2% in 2009), while a majority of Exxaro Mineral Sands s revenue has come from the sale of pigment, titanium feedstock and zircon (88.4% in 2011, 85.2% in 2010 and 82.9% in 2009). TiO_2 is a chemical used in many quality of life products for which demand historically has been linked to Global GDP and discretionary spending, which can be negatively impacted by regional and world events or economic conditions generally, such as terrorist attacks, the incidence or spread of contagious diseases or other economic, political or public health or safety conditions. Events such as these are likely to cause a decrease in demand for New Tronox s products and, as a result, may have an adverse effect on New Tronox s results of operations and financial condition. Historically, demand for TiO_2 and zircon decreased in 2008 and 2009 due to the worldwide financial crisis, following several years of increasing growth, resulting in lower prices and reduced production by the major producers. The increase in demand during 2010 and 2011 has resulted in increasing prices of TiO_2 and titanium feedstock, which have been further bolstered by the reduced availability of titanium feedstock.

The future profitability of Tronox Limited s operations, and cash flows generated by those operations, also will be affected by the available supply of its products in the market, such as TiO_2 pigment, feedstock and zircon.

Additionally, the demand for TiO_2 during a given year is subject to seasonal fluctuations. TiO_2 sales are generally higher in the second and third quarters of the year primarily due to the increase in paint production to meet demand resulting from the spring and summer painting season in North America and Europe. New Tronox may be adversely affected by existing or future cyclical changes, and such conditions may be sustained or further aggravated by anticipated or unanticipated changes in regional weather conditions. For example, poor weather conditions in a region can lead to an abbreviated painting season, which can depress consumer sales of paint products that use TiO_2.

Neither Tronox Incorporated nor Exxaro Mineral Sands currently enters into commodity derivatives or hedging arrangements on their future production, so they are exposed to the impact of any significant decrease in the price of their products.

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Tronox Limited s results of operations may be adversely affected by fluctuations in currency exchange rates.

The financial condition and results of operations of Tronox Incorporated s operating entities in the Netherlands and Australia are reported in various foreign currencies and then converted into U.S. dollars at the applicable exchange rate for inclusion in Tronox Incorporated s financial statements, while the financial condition and results of operations of Exxaro Mineral Sands s operating entities in Australia and finance entities in the Netherlands currently are reported in Australian dollars and Euros, respectively, and then converted into Rand at the applicable exchange rate for inclusion into the Exxaro Mineral Sands Combined Financial Statements. As a result, any volatility of the U.S. dollar or the Rand against these foreign currencies creates uncertainty for and may have a negative impact on reported sales and operating margin. Tronox Limited has made a U.S. dollar functional currency election for both Australian financial reporting and federal income tax purposes. On this basis, Tronox s Australian entities will account for transactions on a U.S. dollar basis.

In addition, operating entities often need to convert currencies they receive for their products into currencies in which they purchase raw materials or pay for services, which could result in a gain or loss depending on fluctuations in exchange rates. Because Tronox Limited will have significant operations in Europe, South Africa and Australia, it will be exposed primarily to fluctuations in the Euro, the Rand and the Australian dollar. Exxaro Mineral Sands s primary products are priced throughout the world in U.S. dollars and, as a result, Exxaro Mineral Sands receives most of its revenue in U.S. dollars. However, during 2011, approximately 97% of KZN Sands s and 84% of Namakwa Sands s operating costs were incurred in Rand and approximately 95% of Australia Sands s operating costs were incurred in Australian dollars. Any significant and sustained appreciation of the Rand or the Australian dollar against the U.S. dollar without an offsetting increase in U.S. dollar denominated TiO_2 feedstock prices will materially reduce Exxaro Mineral Sands s Rand and Australian dollar reported revenue and overall net income.

Tronox Incorporated and Exxaro Mineral Sands from time to time have sought to minimize their foreign currency risk by engaging in hedging transactions. However, New Tronox may be unable to effectively manage its foreign currency risk, and any volatility in foreign currency exchange rates may have a material effect on its financial condition or results of operations.

New Tronox s operations may be negatively impacted by inflation.

Tronox Incorporated s and Exxaro Mineral Sands s South African operations have been materially affected by inflation in the countries in which they have operated in recent years, as shown by the average inflation rates over the periods indicated in the table below for the United States, South Africa and Australia.

	2008-2009	2009-2010	2010 2011
United States	(0.4)%	1.6%	3.2%
South Africa	7.1%	4.3%	5.0%
Australia	2.1%	2.7%	3.1%

Working costs and wages in South Africa, especially, have increased in recent years, resulting in significant cost pressures for the mining industry. New Tronox s profits and financial condition could be adversely affected when cost inflation is not offset by devaluation in operating currencies or an increase in the price of its products.

Tronox Incorporated s industry and the end-use markets in which it competes are highly competitive. This competition may adversely affect Tronox Limited s results of operations and operating cash flows.

Each of the markets in which Tronox Incorporated competes is highly competitive. Competition is based on a number of factors such as price, product quality and service. Tronox Incorporated faces significant competition from major international and smaller regional competitors. Tronox Incorporated s most significant competitors include major chemical and materials manufacturers and diversified companies, a number of which have

substantially larger financial resources, greater personnel and larger facilities than Tronox Incorporated does. The additional resources, greater personnel and larger facilities of such competitors may give them a competitive advantage when responding to market conditions and capitalizing on operating efficiencies. Increased competition or an oversupply in the market could result in reduced sales, which could adversely affect New Tronox s profitability and operating cash flows. An increased availability of supply, which results in a decrease in product prices below New Tronox s cash cost of production for any sustained period, may lead to losses and require New Tronox to curtail or suspend certain operations.

In addition, within the end-use markets in which Tronox Incorporated competes, competition between products is intense. Tronox Incorporated faces substantial risk that certain events, such as new product development by competitors, changing customer needs, production advances for competing products or price changes in raw materials, could cause Tronox Incorporated s customers to switch to its competitors products. If New Tronox is unable to develop and produce or market its products to compete effectively against its competitors following such events, its results of operations and operating cash flows may suffer.

The socio-economic environment in South Africa may have an adverse effect on New Tronox s business, operating results and financial condition.

South Africa has been undergoing political and economic challenges. Changes to or instability in the economic or political environment in South Africa or neighboring countries, especially if such changes create political instability, actual or potential shortages of production materials or labor unrest, could result in production delays and production shortfalls and materially impact New Tronox s production and results of operations.

South Africa has a highly developed financial and legal infrastructure, but it also has high levels of poverty, unemployment and crime, and faces challenges in building adequate physical infrastructure, such as for the supply of electricity and water, as further discussed below under The cost of electricity in South Africa may adversely affect New Tronox s results of operations and financial condition and Exxaro Mineral Sands s operations use significant amounts of water in their operations and are subject to water use licenses, which could impose significant costs. These problems may prompt the emigration of skilled workers, discourage fixed inward investment into South Africa and impede economic growth, all of which could negatively affect New Tronox s business.

Further, there are significant differences in the levels of economic and social development within the South African population, with large parts of the population, particularly in rural areas, having limited access to adequate education, healthcare, housing and other basic services, including water and electricity. The South African government has implemented laws and policies aimed at alleviating and redressing the disadvantages suffered by the majority of citizens under previous governments, which may increase New Tronox s costs and reduce its profitability. It is not possible to predict the extent to which the South African government will continue to introduce legislation or other measures designed to empower previously disadvantaged groups or the potential impact of such reforms.

New Tronox s financial flexibility could be materially constrained by South African exchange control regulations.

South Africa s exchange control regulations require resident companies to obtain the prior approval of the South African Reserve Bank to raise capital in any currency other than the Rand and restrict the export of capital from South Africa. In particular, South African companies:

- are generally not permitted to export capital from South Africa or to hold foreign currency without the South African Reserve Bank s approval;
- are generally required to repatriate to South Africa profits of foreign operations; and

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are limited in their ability to utilize profits of one foreign business to finance operations of a different foreign business. While the South African government has relaxed exchange controls in recent years, it is difficult to predict whether or how it will further relax or abolish exchange control measures in the future. These exchange control restrictions could hinder New Tronox s financial and strategic flexibility, particularly its ability to use South African capital to fund acquisitions, capital expenditures and new projects outside of South Africa.

Third parties may develop new intellectual property rights for processes and/or products that New Tronox would want to use, but would be unable to do so; or, third parties may claim that the products New Tronox makes or the processes that New Tronox uses infringe their intellectual property rights, which may cause New Tronox to pay unexpected litigation costs or damages or prevent New Tronox from making, using or selling products it makes or require alteration of the processes it uses.

Although there are currently no known pending or threatened proceedings or claims relating to alleged infringement, misappropriation or violation of the intellectual property rights of others, New Tronox may be subject to legal proceedings and claims in the future in which third parties allege that their patents or other intellectual property rights are infringed, misappropriated or otherwise violated by New Tronox or its products or processes. In the event that any such infringement, misappropriation or violation of the intellectual property rights of others is found, New Tronox may need to obtain licenses from those parties or substantially re-engineer its products or processes to avoid such infringement, misappropriation or violation. New Tronox might not be able to obtain the necessary licenses on acceptable terms or be able to re-engineer its products or processes successfully. Moreover, if New Tronox is found by a court of law to infringe, misappropriate or otherwise violate the intellectual property rights of others, it could be required to pay substantial damages or be enjoined from making, using or selling the infringing products or technology. New Tronox also could be enjoined from making, using or selling the allegedly infringing products or technology pending the final outcome of the suit. Any of the foregoing could adversely affect New Tronox s financial condition and results of operations.

Results of New Tronox s operations may also be negatively impacted if a competitor develops or has the right to use intellectual property rights for new processes or products and New Tronox cannot obtain similar rights on favorable terms and is unable to independently develop non-infringing competitive alternatives.

If New Tronox s intellectual property were compromised or copied by competitors, or if competitors were to develop similar intellectual property independently, its results of operations could be negatively affected.

New Tronox s success depends to a significant degree upon its ability to protect and preserve its intellectual property rights. Although Tronox Incorporated and Exxaro Mineral Sands own and have applied for numerous patents and trademarks throughout the world, New Tronox may have to rely on judicial enforcement of its patents and other proprietary rights. New Tronox s patents and other intellectual property rights may be challenged, invalidated, circumvented, and rendered unenforceable or otherwise compromised. A failure to protect, defend or enforce New Tronox s intellectual property could have an adverse effect on its financial condition and results of operations.

Tronox Incorporated and Exxaro Mineral Sands also rely upon unpatented proprietary technology, know-how and other trade secrets to maintain their competitive position. While Tronox Incorporated and Exxaro Mineral Sands maintain policies to enter into confidentiality agreements with their employees and third parties to protect their proprietary expertise and other trade secrets, these agreements may not be enforceable or, even if legally enforceable, New Tronox may not have adequate remedies for breaches of such agreements. New Tronox also may not be able to readily detect breaches of such agreements. The failure of New Tronox s patents or confidentiality agreements to protect its proprietary technology, know-how or trade secrets could result in significantly lower revenues, reduced profit margins or loss of market share.

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In addition, New Tronox may be unable to determine when third parties are using its intellectual property rights without its authorization. Tronox Incorporated also has licensed certain of its intellectual property rights to third parties, and Tronox Incorporated cannot be certain that its licensees are using its intellectual property only as authorized by the applicable license agreement. The undetected or unremedied unauthorized use of New Tronox s intellectual property rights or the legitimate development or acquisition of intellectual property related to its industry by third parties could reduce or eliminate any competitive advantage New Tronox has as a result of its intellectual property, adversely affecting its financial condition and results of operations. If New Tronox must take legal action to protect, defend or enforce its intellectual property rights, any suits or proceedings could result in significant costs and diversion of New Tronox s resources and its management s attention, and it may not prevail in any such suits or proceedings. A failure to protect, defend or enforce New Tronox s intellectual property rights could have an adverse effect on its financial condition and results of operations.

Operational Risks

Given the nature of Tronox Incorporated s chemical operations and Exxaro Mineral Sands s mining and smelting operations, New Tronox faces a material risk of liability, delays and increased cash costs of production from environmental and industrial accidents and operational breakdowns.

New Tronox s businesses will involve significant risks and hazards, including environmental hazards, industrial accidents and breakdowns of equipment and machinery. Tronox Incorporated s business is exposed to hazards associated with chemical manufacturing and the related storage, handling and transportation of raw materials, products and wastes, and Exxaro Mineral Sands s operations are subject to hazards, such as its furnace operations are subject to explosions, and its open pit (also called open-cut) and dredge mining operations are subject to flooding and accidents associated with rock transportation equipment and conveyor belts. For example, as further discussed under Exxaro Mineral Sands Management s Discussion and Analysis of Financial Condition and Results of Operations Recent Developments Furnace Shutdowns, in September 2011, a furnace at KZN Sands was taken out of operation for repair and upgrade and resumed operations on February 25, 2012; however, during this period, operations at KZN Sands were impaired and the losses suffered may not be completely covered by business interruption insurance. Furthermore, during operational breakdowns such as the furnace shutdown at KZN Sands, the relevant facility may not be fully operational within the anticipated timeframe, which could result in further business losses. The occurrence of any of these or other hazards could delay production, suspend operations, increase repair, maintenance or medical costs and, due to the integration of Tronox Limited s facilities, could have an adverse effect on the productivity and profitability of a particular manufacturing facility or on Tronox Limited as a whole.

There is also a risk that New Tronox s key raw materials or its products may be found to have currently unrecognized toxicological or health-related impact on the environment or on its customers or employees. Such hazards may cause personal injury and loss of life, damage to property and contamination of the environment, which could lead to government fines or work stoppage injunctions and lawsuits by injured persons. If such actions are determined to be adverse to New Tronox, it may have inadequate insurance to cover such claims, or it may have insufficient cash flow to pay for such claims. Such outcomes could adversely affect New Tronox s financial condition and results of operations.

New Tronox s insurance coverage may prove inadequate to satisfy future claims against it.

Tronox Incorporated and Exxaro Mineral Sands maintain third-party property, business interruption, casualty and terrorism insurance, with deductibles that are believed to be in accordance with customary industry practices, but Tronox Incorporated and Exxaro Mineral Sands are not fully insured against all potential hazards incident to their businesses, including losses resulting from natural disasters or terrorist acts and those related to past activities for which it may not have an adequate indemnification or contribution remedy. In addition, insurance may not be available in the future at economically acceptable premiums. As a result, if New Tronox were to incur a significant liability for which it was not fully insured, it might not be able to finance the amount

of the uninsured liability on terms acceptable to it or at all, and might be obligated to divert a significant portion of its cash flow from normal business operations.

Fluctuations in costs of New Tronox s raw materials or its access to supplies of its raw materials could have an adverse effect on its results of operations and financial condition.

In 2011, raw materials used in Tronox Incorporated s production of TiO_2 constituted approximately 34.9% of its operating expenses. Fuel and energy linked to commodities, such as diesel, heavy fuel oil, and coal, and other consumables, such as chlorine, illuminating paraffin, electrodes and anthracite, consumed in Tronox Incorporated and Exxaro Mineral Sands s manufacturing and mining operations form an important part of their operating costs. New Tronox will have no control over the costs of these consumables, many of which are linked to some degree to the price of oil and coal, and the costs of many of these raw materials may fluctuate widely for a variety of reasons, including changes in availability, major capacity additions or reductions or significant facility operating problems. These fluctuations could negatively affect New Tronox s operating margins and its profitability. As these costs rise, New Tronox s operating expenses will increase and could adversely affect its business, especially if it is unable to pass price increases in raw materials through to its customers.

Over the last several years TiO_2 prices have risen dramatically while titanium feedstock prices have risen less. Therefore, our margins have expanded significantly. This may result in customers curtailing purchases, or developing substitute or vertically integrating themselves.

Shortages or price increases by New Tronox s single source suppliers, such as the suppliers of chlorine to the Tiwest Joint Venture operations or high-quality anthracite to Namakwa Sands, each of which are discussed under The Businesses Description of Exxaro Mineral Sands Mining and Processing Techniques Raw Materials, could decrease revenue or increase production costs, reducing the profitability of operations. Fluctuations in oil and coal prices impact our operating cost and capital expenditure estimates and, in the absence of other economic fluctuations, could result in significant changes in the total expenditure estimates for New Tronox s operations or new expansion projects, and when taken into account with other production costs, such as wages, equipment and machinery costs, may render certain operations nonviable.

The cost of electricity in South Africa may adversely affect New Tronox s results of operations and financial condition.

In South Africa, Exxaro Mineral Sands s mining and smelting operations depend on electrical power generated by Eskom, the state-owned sole energy supplier in South Africa. South African electricity prices rose by approximately 25% in 2010 and 2011. South African electricity prices will increase by 16% in 2012, and future increases likely will continue at rates higher than inflation. These increases have increased production costs. As these costs rise, New Tronox s operating expenses will increase and could adversely affect its business, especially if it cannot pass through increases in its expenses to its customers. Exxaro Mineral Sands is investing in a co-generation project at Namakwa Sands, as further described in The Businesses Description of Exxaro Mineral Sands Properties and Reserves Properties Namakwa Sands Power and Water Supply ; and Exxaro Mineral Sands s management has reviewed its operating processes to control and reduce its electricity consumption. However, until Namakwa Sands s proposed co-generation plant is fully functional, future electricity supply interruptions or deficiencies and increased energy costs in all of Exxaro Mineral Sands s operations may affect New Tronox s operational results and financial condition. See The Businesses Description of Exxaro Mineral Sands Properties and Reserves Properties Namakwa Sands Power and Water Supply.

Exxaro Mineral Sands s operations use significant amounts of water in their operations and are subject to water use licenses, which could impose significant costs.

National studies conducted by the South African Water Research Commission, released during September 2009, found that water resources in South Africa were approximately 4% lower than estimated in 1995, which may lead to the revision of water use strategies by several sectors in the South African economy, including

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electricity generation and municipalities. Exxaro Mineral Sands s surface retreatment operations use water to transport the slimes or sand from reclaimed areas to the processing plant and to the tailings facilities, and reduced water availability may result in rationing or increased water costs in the future due to Exxaro Mineral Sands s significant use of water in its mining operations. Exxaro Mineral Sands s plants and piping infrastructure were designed to carry certain minimum throughputs, so any reductions in the volumes of available water may require Exxaro Mineral Sands to adjust production at these operations. However, Exxaro Mineral Sands s South African operations can use sea water, which is readily available since both KZN Sands and Namakwa Sands are located in coastal regions, although using sea water instead of fresh water would increase operational costs due to the desalination process, which may not be offset against lower water operating costs.

In addition, under South African law, Exxaro Mineral Sands s South African mining operations are subject to water use licenses that govern each operation s water use, as further discussed under The Businesses Description of Exxaro Mineral Sands Regulation of the Mining Industry in South Africa and Australia Regulation of the Mining Industry in South Africa The National Water Act. These licenses require, among other conditions, that mining operations achieve and maintain certain water quality limits for all water discharges, where applicable. Exxaro Mineral Sands s South African operations that came into existence after the adoption of the National Water Act, No. 36 of 1998 have applied for and been issued the required water use licenses. Exxaro Mineral Sands s South African operations that came into existence prior to the adoption of the National Water Act (Namakwa Sands s mining operations, mineral separation plant and smelter operations) have been granted permission to continue operating until water use licenses have been approved for those operations, subject to operating conditions set by the Department of Water Affairs. Those operations have applied for the required water use licenses, but have not yet been issued with provisional or final licenses due to the significant backlog of pending license applications. As a result of this backlog, it is not uncommon for South African mines to operate without the proper water use authorizations. The issue of mines operating without the requisite water use licenses recently has received parliamentary notice and enforcement action against illegal water use, particularly within the mining industry, has increased. Operating without the appropriate water use licenses exposes Exxaro Mineral Sands to the risk that its operations may be halted or suspended, affected mining rights may be suspended or cancelled or the implementation of new projects may be delayed. In addition, the conditions of the licenses may require Exxaro Mineral Sands to implement alternate water management measures that may have significant cost implications. If New Tronox is not able to achieve or maintain compliance with the requirements of these licenses, the operations may be subject to penalties, fees and expenses or business interruption, which could have a material effect on New Tronox s business, operating results and financial condition.

The capacity and cost of transportation facilities, as well as transportation delays and interruptions, could adversely affect New Tronox s ability to supply titanium feedstock to its pigment operations and its products to its customers.

New Tronox s ability to sell TiO_2 pigment, zircon and other products depends primarily upon road transport, third-party rail systems, ports, storage and container shipping. Increases in transportation costs or a lack of sufficient trucking, rail or cargo vessel or container capacity could make New Tronox s products less competitive than those produced by other companies. New Tronox has no control over those logistical factors which effect transport efficiency, such as the condition of the roads or the quality of ports from which its products are exported, and alternative transportation and delivery systems generally are inadequate or unsuitable to handle the quantity of New Tronox s shipments and to ensure timely delivery. If New Tronox is unable to obtain road, rail, sea or other transportation services, or to do so on a cost-effective basis, its business and growth strategy would be adversely affected.

If New Tronox is unable to innovate and successfully introduce new products, or new technologies or processes reduce the demand for its products or the price at which it can sell products, its profitability could be adversely affected.

Tronox Incorporated s industries and the end-use markets into which it sells its products experience periodic technological change and product improvement. New Tronox s future growth will depend on its ability to gauge

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the direction of commercial and technological progress in key end-use markets and on its ability to fund and successfully develop, manufacture and market products in such changing end-use markets. New Tronox must continue to identify, develop and market innovative products or enhance existing products on a timely basis to maintain its profit margins and its competitive position. New Tronox may be unable to develop new products or technology, either alone or with third parties, or license intellectual property rights from third parties on a commercially competitive basis. If New Tronox fails to keep pace with the evolving technological innovations in its end-use markets on a competitive basis, its financial condition and results of operations could be adversely affected.

In addition, new technologies or processes have the potential to replace or provide lower-cost alternatives to New Tronox s products, such as new processes that reduce TiO_2 in consumer products or the use of chloride slag in the production of TiO_2 pigment, which could result in TiO_2 pigment producers using less chloride slag, or to reduce the need for TiO_2 pigment in consumer products, which could depress the demand and pricing for TiO_2 pigment. We cannot predict whether technological innovations will, in the future, result in a lower demand for its products or affect the competitiveness of its business. New Tronox may be required to invest significant resources to adapt to changing technologies, markets and competitive environments.

Estimations of Exxaro Mineral Sands s ore resources and reserve estimates are based on a number of assumptions, including mining and recovery factors, future cash costs of production and ore demand and pricing. As a result, ore resources and reserve quantities actually produced may differ from current estimates.

The mineral resource and reserve estimates contained under The Businesses Description of Exxaro Mineral Sands Exxaro Mineral Sands Properties and Reserves Mineral Resources and Reserves are estimates of the quantity and ore grades in Exxaro Mineral Sands s mines based on Exxaro s interpretation of geological data obtained from drill holes and other sampling techniques, as well as from feasibility studies. The accuracy of these estimates is dependent on the assumptions and judgments that Exxaro makes in interpreting the geological data. Exxaro s assessment of geographical characteristics, such as location, quantity, quality, continuity of geology and grade, is made with varying degrees of confidence in accordance with established guidelines and standards. Exxaro uses various exploration techniques, including geophysical surveys and sampling through drilling and trenching, to investigate resources and implements applicable quality assurance and quality control criteria to ensure that data is representative. Exxaro Mineral Sands s mineral reserves represent the amount of ore that Exxaro believes can be successfully mined and processed, and are estimated based on a number of factors, which have been stated in accordance with the SAMREC and JORC codes (as defined and described under The Businesses Description of Exxaro Mineral Sands Properties and Reserves Mineral Resources and Reserves).

There is significant uncertainty in any mineral reserve or mineral resource estimate. Factors that are beyond Exxaro Mineral Sands s control, such as the ability to secure mineral rights, the sufficiency of mineralization to support mining and beneficiation practices and the suitability of the market may significantly impact mineral resource and reserve estimates. The actual deposits encountered and the economic viability of mining a deposit may differ materially from Exxaro s estimates. Since these mineral resources and reserves are estimates based on assumptions related to factors discussed above, New Tronox may revise these estimates in the future as it becomes aware of new developments. To maintain TiO_2 feedstock production beyond the expected lives of Exxaro Mineral Sands s existing mines or to increase production materially above projected levels, New Tronox will need to access additional reserves through exploration or discovery.

Implementing a new enterprise resource planning system could interfere with Tronox Incorporated s business or operations and could adversely impact its financial position, results of operations and cash flows.

Tronox Incorporated is in the process of implementing a new enterprise resource planning system. This project requires significant investment of capital and human resources, the re-engineering of many processes of Tronox Incorporated s business, and the attention of many employees who would otherwise be focused on other

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aspects of its business. Any disruptions, delays or deficiencies in the design and implementation of this new system could potentially result in higher costs than Tronox Incorporated had anticipated and could adversely affect New Tronox s ability to provide services to its customers and vendors, file reports with regulatory agencies in a timely manner, manage its internal controls or otherwise operate its business. Any of these consequences could have an adverse effect on New Tronox s results of operations and financial condition.

New Tronox will compete with other mining and chemical businesses for key human resources in the countries in which it will operate, and its business will suffer if it is unable to hire highly skilled employees or if its key officers or employees discontinue employment with New Tronox.

Tronox Incorporated and Exxaro Mineral Sands compete with other chemical and mining companies, and other companies generally, in the countries in which they operate to attract and retain key human resources at all levels with the appropriate technical skills and operating and managerial experience necessary to continue operating and expand their businesses. These operations use modern techniques and equipment and accordingly require various types of skilled workers. The success of New Tronox s business will be materially dependent upon the skills, experience and efforts of its key officers and skilled employees. The global shortage of key mining skills, including geologists, mining engineers, metallurgists and skilled artisans, has been exacerbated by increased mining activity across the globe. Despite various initiatives, New Tronox may not be able to attract and retain skilled and experienced employees. Should New Tronox lose any of its key personnel or fail to attract and retain key qualified personnel or other skilled employees, its business may be harmed and its operational results and financial condition could be affected.

The labor and employment laws in many jurisdictions in which New Tronox will operate are more onerous than in the United States; and some of New Tronox s labor force has substantial works council or trade union participation, which creates a risk of disruption from labor disputes and new law affecting employment policies.

Following completion of the Transaction, a majority of New Tronox s employees will be located outside the United States. In most of those countries, labor and employment laws are more onerous than in the United States and, in many cases, grant significant job protection to employees, including rights on termination of employment.

Labor costs constituted 12.7% of Tronox Incorporated s TiO_2 production costs (excluding depreciation) and 24.3% of Exxaro Mineral Sands s production costs (excluding depreciation) in 2011. Some of Tronox Incorporated s employees in the Netherlands are represented by a works council by law, which subjects Tronox Incorporated to employment arrangements very similar to collective bargaining agreements, and as of December 31, 2011, approximately 63% of Exxaro Mineral Sands s South African employees were members of trade unions or employee associations (the National Association of Mineworkers (NUM) and Solidarity).

Exxaro Mineral Sands s South African operations have entered into various agreements regulating wages and working conditions at Exxaro Mineral Sands s mines. Despite a history of constructive engagement with labor unions, there have been periods when various stakeholders have been unable to agree on dispute resolution processes, leading to threats of disruptive labor disputes, although only two strikes have ever occurred in the history of these operations (including the period prior to Exxaro s acquisition of these operations). Due to the high level of employee union membership, Exxaro Mineral Sands s South African operations are at risk of production stoppages for indefinite periods due to strikes and other disputes. In the past five years, employees of KZN Sands went on strike once for a 22-day period, when NUM members went on strike from August 23 to September 13, 2010, in a dispute over wages and employment conditions, which resulted in an average daily production loss of 20,000 tonnes run of mine and 1,398 tonnes of heavy mineral concentrate, but had no significant impact on the smelter or furnace operations. Although Exxaro Mineral Sands considers that it has good labor relations with its South African employees, New Tronox may experience labor disputes in the future.

South African employment law, which is based on the minimum standard set by the International Labour Organization, sets out minimum terms and conditions of employment for employees. Although these may be

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improved by agreements between an employer and the trade unions, prescribed minimum terms and conditions form the benchmark for all employment contracts. Exxaro Mineral Sands s South African operations are required to submit a report to the South African Department of Labour, under South African employment law detailing the progress made towards achieving employment equity in the workplace. Failing to submit this report in a timely manner could result in substantial penalties. In addition, future legislative developments that affect South African employment policies may increase production costs or negatively impact relationships with employees and trade unions, which may have an adverse effect on New Tronox s business, operating results and financial condition.

New Tronox will be required to consult with and seek the consent or advice of various employee groups or works councils that represent its employees for any changes to its activities or employee benefits. This requirement could have a significant impact on its flexibility in managing costs and responding to market changes.

Regulatory Risks

Violations or noncompliance with the extensive environmental, health and safety laws and regulations to which New Tronox will be subject or changes in laws or regulations governing New Tronox s operations could result in unanticipated loss or liability.

Tronox Incorporated s and Exxaro Mineral Sands s operations and production facilities are subject to extensive environmental and health and safety laws and regulations at national, international and local levels in numerous jurisdictions relating to pollution, protection of the environment, transporting and storing raw materials and finished products and storing and disposing of hazardous wastes, as discussed under The Businesses Description of Tronox Incorporated Government Regulations and Environmental Matters and The Businesses Description of Exxaro Mineral Sands Regulation of the Mining Industry in South Africa and Australia. The costs of compliance with the extensive environmental, health and safety laws and regulations to which New Tronox will be subject or the inability to obtain, update or renew permits required for operation or expansion of its business could reduce its profitability or otherwise adversely affect its business. New Tronox may in the future incur substantial costs, including fines, damages, criminal or civil sanctions and remediation costs, or experience interruptions in its operations, for violations arising under these laws and regulations. In the event of a catastrophic incident involving any of the raw materials New Tronox uses or chemicals or mineral products it produces, New Tronox could incur material costs as a result of addressing the consequences of such event.

Changes to existing laws governing Tronox Incorporated s and Exxaro Mineral Sands s operations, especially changes in laws relating to transportation of mineral resources, the treatment of land and infrastructure, the remediation of mines, tax royalties, exchange control restrictions and environmental remediation, mineral rights, ownership of mining assets or the rights to prospect and mine may have a material adverse effect on New Tronox s future business, operations and financial performance. There is risk that onerous conditions may be attached to authorizations in the form of mining rights, miscellaneous licenses and environmental approvals or that the grant of these approvals may be delayed or not granted. See, for example, the discussion under The Businesses Description of Exxaro Mineral Sands Regulation of the Mining Industry in South Africa and Australia Environmental, Health and Safety Matters Fairbreeze Environmental Impact Assessment.

While Tronox Incorporated received a discharge and/or release for its significant legacy environmental and tort liabilities upon emergence from the Chapter 11 cases, from time to time New Tronox may be party to a number of legal and administrative proceedings involving environmental and other matters in various courts and before various agencies. These could include proceedings associated with facilities owned, operated or used by Tronox Incorporated, and may include claims for personal injuries, property damages and injury to the environment, including natural resource damages and non-compliance with permits. Any determination that one or more of Tronox Incorporated s key raw materials or products has, or is characterized as having, a toxicological or health-related impact on its environment, customers or employees could subject New Tronox to

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additional legal claims. These proceedings and any such additional claims may be costly and may require a substantial amount of management attention, which may have an adverse effect on New Tronox s financial condition and results of operations.

Tronox Incorporated s current operations involve the production and management of regulated materials that are subject to various environmental laws and regulations and are dependent on the periodic renewal of permits from various governmental agencies. The inability to obtain, update or renew permits related to the operation of New Tronox s businesses, or the costs required in order to comply with permit standards, could have a material adverse affect on New Tronox. No significant difficulties in obtaining such permits are anticipated at this time.

If New Tronox fails to comply with the conditions of its permits governing the production and management of regulated materials, mineral sands mining licenses or leases or the provisions of the applicable South African or Australian law, these permits, mining licenses or leases and mining rights could be cancelled or suspended, and New Tronox could be prevented from obtaining new mining and prospecting rights, which could materially and adversely affect New Tronox s business, operating results and financial condition. In addition, if New Tronox is unable to obtain or maintain necessary permits, authorizations or agreements to prospect or mine or to implement planned projects or continue its operations under conditions or within timeframes that make such operations economically viable, New Tronox s operational results and financial condition could be adversely affected.

Changes to government policies in South Africa may adversely affect New Tronox s business, operating results and financial condition.

Since the end of apartheid in 1994, South African politics have been dominated by the African National Congress (the ANC). Jacob Zuma, a member of the ANC, was elected president of South Africa during national elections in 2009. Since that time, numerous public statements have been made by the ANC Youth League, an affiliate organization of the ANC, calling for the nationalization of the South African mining industry as a way to reduce poverty and inequality. Julius Malema, the former populist leader of the ANC Youth League who was expelled from the ANC on February 29, 2012 for sowing division in the ruling party and bringing it into disrepute, has been at the forefront of the calls for nationalization, as well as calls for the expropriation of white-owned land. Mr. Malema s expulsion has sparked clashes between his supporters and his rivals. Mr. Malema has appealed the ANC s ruling, but it is not known when the appeals committee will announce its verdict. Mr. Malema has vowed to challenge his expulsion in court if he loses the internal appeal. Despite Mr. Malema s expulsion, the ANC Youth League may continue to call for the government to take a stake in South Africa s private mines without compensation, claiming that the policy would distribute wealth and create jobs.

Although senior government officials, including the Minister of the Department of Mineral Resources, have insisted that nationalization of the South African mining industry is not government policy, the ANC has appointed a task team to investigate the feasibility of, and potential policies for, nationalization and increased state intervention in the mining industry and is due to report its findings at the ANC s national policy conference at the end of June 2012.

On February 17, 2012 the task team released a draft report entitled Maximizing the developmental impact of the people s mineral assets: State intervention in the Minerals Sector. The task team s findings are expected to be one of the key political issues at the ANC leadership elections in December 2012, where Mr. Zuma may face a leadership challenge, although Mr. Malema s proposals may not be as actively pursued by his successor.

The draft findings appear to dismiss the nationalization of all or a majority of private mineral companies at a market related price because it would be unaffordable for the government. Nationalization without compensation would require an amendment to the South African constitution. This would, according to the report, draw global criticism and would result in a withdrawal of foreign direct investment, loss of jobs and the institution of legal proceedings by investors domiciled in states that have entered into trade and investment protection agreements with South Africa. However, the report does include some salient proposals, including:

- in respect of the resource rents to the South African government, the introduction of a 50% resource rent tax to attribute a greater share;

the establishment of a state minerals company;

merging the ministries of Trade and Industry, Mineral Resources and Energy, Public Enterprises, Economic Development and Science and Technology to form a super ministry ;

the concessioning of all known mineral deposits by public tender;

the establishment of a professional minerals commission to grant, monitor and evaluate all mineral concessions and licenses;

the amendment of current mining legislation to maximize developmental impacts of the mineral and energy complex;

the establishment of a presidential mineral rights audit commission to carry out forensic audits on the granting of all new order mining rights under the MPRDA;

the imposition of a 50% capital gains tax on the transfer of any mineral rights before actual mining operations commence to discourage speculators in the mining industry;

the establishment of a mineral rights commission as an oversight body (regulator) whose consent would be required prior to transferring any mineral rights; and

the establishment of a minerals environmental monitoring and compliance agency.

One of the task team s main proposals is an amendment to the current system of mining royalties. The proposal contemplates significantly reducing mining royalties and largely replacing them with a tax on super profits, This concept of resource rent capture would result in a tax being imposed on the difference between the price at which a resource can be sold and its extraction costs (which includes normal returns). The resource rent tax would only be triggered once a reasonable return had been made by the mineral right holder. The putative goal of this proposed tax is to protect marginal mining operations.

The task team also proposes that a resource rent tax of 50% be imposed on all mining in South Africa. The tax would only be triggered after a normal return on investment had been achieved. A normal return on investment is defined in the draft policy document as the South African Treasury Long Bond Rate plus 7%. At current rates, a normal return on investment would be approximately 15%. According to the draft proposal, all proceeds of the resource rent tax should be held in an offshore sovereign wealth fund. If the taxes imposed on New Tronox s South African mining operations were to increase as a result of South Africa s implementation of the proposed tax on super profits or adoption of a 50% resource rent tax on mining activity, the profitability of New Tronox s South African mining operations would be negatively impacted. New Tronox may decide to cease its South African operations to the extent that those operations do not meet their return requirements, which would adversely affect New Tronox s operational results and financial condition.

The draft policy document also contains several other proposals designed to apply a concept of a Democratic Developmental State to the governance of South African mineral assets.

Although the draft policy document appears to distance itself from a policy of nationalization per se, and although the South African government has repeatedly indicated that it does not currently have any formal plans to nationalize the country s mining sector, the controversy and political infighting surrounding the issue have exacerbated foreign investors uncertainty about South Africa s mining industry as the country has been slowly recovering from the global economic crisis. If any of New Tronox s South African mines are nationalized, it would adversely affect its South African mining operations as well as shareholder investments, and any compensation paid for New Tronox s mining operations may not fully compensate New Tronox at market value for the loss of those operations.

Exxaro Mineral Sands s privately held and leased South African land and mineral rights could be subject to land restitution claims.

Under South African legislation, any person who was dispossessed of land rights in South Africa as a result of past racially discriminatory laws or practices is granted certain remedies, including the restoration of the land.

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The initial deadline for such claims was December 31, 1998. Two of Exxaro Mineral Sands s South African operations are subject to land claims. As further discussed under The Businesses Description of Exxaro Mineral Sands Legal Proceedings South Africa, the Obanjeni Community has filed a land claim affecting the Fairbreeze mining surface area, and the Mkhwanazi Tribe has filed a claim affecting the Port Durnford prospecting rights area over which Exxaro Mineral Resources has a pending prospecting rights application. Both of these claims are under review by the Land Claims Commissioner, and Exxaro Mineral Sands is engaged in negotiations with the Mkhwanazi Tribe to secure access for prospecting and mining and also intends to enter into negotiations with the Obanjeni Community at the appropriate time. If New Tronox is not successful in its negotiations or is unable to secure access rights on commercially reasonable terms and conditions, New Tronox s future operations at Fairbreeze or Port Durnford may be adversely affected. In addition, if New Tronox expands its operations to areas that are subject to land claims, its rights to these properties may be adversely affected, and New Tronox may be prevented from using the property and exploiting any ore reserves located there in a commercially reasonable manner. This could have an adverse affect on New Tronox s business, operating results and financial condition.

New Tronox s South African operations may lose the benefit of Exxaro s BEE status under South African legislation, resulting in the need to implement a remedial solution or introduce a new minority shareholder, which could negatively impact its South African operations.

As further discussed under Description of Transaction Documents South African Shareholders Agreement, Exxaro will retain a 26.0% direct ownership interest in each of Exxaro Sands and Exxaro TSA Sands in order for these two entities to comply with the requirements of the MPRDA and the South African Mining Charter ownership requirements under the BEE legislation. Exxaro has agreed to maintain its direct ownership for a period of the shorter of: 10 years (unless it transfers the direct ownership interests to another qualified buyer under the BEE legislation) or the date on which the requirement to maintain a direct ownership stake in each of Exxaro Sands and Exxaro TSA Sands no longer applies, as determined by the DMR. If either Exxaro Sands or Exxaro TSA Sands ceases to qualify under the BEE legislation, Tronox Limited and Exxaro have agreed to jointly seek a remedial solution. If Tronox Limited and Exxaro cannot successfully implement a solution and the reason for this failure is due to anything other than a change in law, then Tronox Limited may dispose of Exxaro s shares in the non-qualifying company to another, BEE compliant, qualifying purchaser. During any period of any non-qualification, New Tronox s South African operations may be in violation of their mining or prospecting rights, as well as the requirements of the MPRDA and the South African Mining Charter, which could result in a suspension or revocation of the non-qualifying company s mining and prospecting rights and could expose New Tronox to operating restrictions, lost business opportunities and delays in receiving further regulatory approvals for its South African operations and expansion activities. In addition, if Exxaro s direct ownership in Exxaro Sands and Exxaro TSA Sands is sold to another purchaser, Tronox Limited would be required to share ownership and control of its South African operations with a minority shareholder, which may impact its operational and financial flexibility and could impact profitability, expansion opportunities and its results of operations.

The cost of occupational healthcare services and the potential liabilities related to occupational health diseases in South Africa may increase in the future.

Exxaro Mineral Sands s operations in South Africa are subject to health and safety regulations which could impose significant costs and burdens. South African legislation imposes various duties on mines and grants the authorities broad power to, among other things, close unsafe mines and order corrective action with respect to health and safety matters. There is a risk that the cost of providing healthcare services and implementing various health programs could increase in the future, depending on changes to underlying legislation and the profile of Exxaro Mineral Sands s employees. The amount of the potential increase in cost is currently indeterminate.

South African law governs the payment of compensation and medical costs to a compensation fund against which mining employees and other people at sites where ancillary mining activities are conducted can claim for mining activity-related illnesses. Should claims against the compensation fund rise significantly due to Exxaro

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Mineral Sands s mining activity or if claims against Exxaro Mineral Sands are not covered by the compensation fund, the amount of Exxaro Mineral Sands s contribution or liability to claimants may increase, which could adversely impact Tronox Limited s financial condition. In addition, the HIV/AIDS epidemic in South Africa poses risks to Exxaro Mineral Sands s South African operations in terms of potentially reduced productivity, and increased medical and other costs. If there is a significant increase in the incidence of HIV/AIDS infection and related diseases among the South African workforce over the next several years, New Tronox s operations, projects and financial condition may be adversely affected.

Mining companies are increasingly required to consider and ensure the sustainable development of, and provide benefits to, the communities in which they operate.

Companies whose activities are perceived to have a high impact on their social and physical environment, such as Exxaro Mineral Sands, face increasing public scrutiny of their activities. Exxaro Mineral Sands s existing and proposed mining operations are often located at or near existing towns and villages, nature preserves, natural water courses and other infrastructure. Exxaro therefore carefully manages its impact on such communities and the environment. For example, Exxaro Mineral Sands provides electrification and water supply projects to towns and villages near its Namakwa Sands operations and secondary education support to local schools near its existing operations. Exxaro Mineral Sands also considers sustainable development when planning new operations. For example, during the construction phase of the Fairbreeze project (see The Businesses Description of Exxaro Mineral Sands Properties and Reserves Properties Fairbreeze Mine), Exxaro Mineral Sands plans to employ local contractors, thereby eliminating the need for temporary housing, and also plans to build a new on/off ramp linking the Fairbreeze mine to the main highway, so that heavy vehicle mine traffic does not have to go through the local town. This type of planning is aimed at addressing the concerns of local communities about the potential for increased traffic and construction of temporary housing as a result of new mining operations in the area.

The potential consequences of failing to effectively manage the social pressures related to sustainable development include reputational damage, legal action and increased social spending obligations. The cost of these measures can increase New Tronox s capital expenditures and operating costs, which may affect its operational results and financial condition.

Risks Related to Tronox Limited

Tronox Limited has no operating or financial history and results of operations may differ significantly from the unaudited pro forma financial data included in this document.

Tronox Limited has been recently incorporated and has no operating history and no revenues. This document includes unaudited pro forma combined statements of operations for the year ended December 31, 2011, which are presented as if the Transaction had been completed on January 1, 2011 and an unaudited pro forma combined balance sheet as of December 31, 2011, presented as if the Transaction had been completed on December 31, 2011. The pro forma financial information is presented for illustrative purposes only, is based on certain assumptions, addresses a hypothetical situation and covers only one financial year. Therefore, it does not necessarily indicate the results of operations or the combined financial position that would have resulted had the combination been completed at the beginning of the period presented, nor is it indicative of the results of operations in future periods or the future financial position of the combined businesses. In particular, it does not reflect benefits of expected cost savings or revenue opportunities with respect to Tronox Limited nor the costs to achieve such savings or opportunities. Accordingly, Tronox Limited s results of operations and financial condition may differ significantly from those indicated by the unaudited pro forma financial data included in this document.

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The agreements and instruments governing Tronox Limited s debt will contain restrictions and limitations that could significantly affect its ability to operate its business, as well as significantly affect its liquidity.

As of December 31, 2011, Tronox Incorporated s total principal amount of debt was approximately $427.3 million. During 2012, Tronox Incorporated refinanced its debt to allow for the Transaction and to provide the financing needs for Tronox Limited following completion of the Transaction. Tronox Incorporated s credit facilities contain a number of significant covenants that could adversely affect its ability to operate its business, its liquidity, and its results of operations. These covenants restrict, among other things, Tronox Incorporated s and its subsidiaries ability to:

- incur or guarantee additional indebtedness;
- complete asset sales, acquisitions or mergers;
- make investments and capital expenditures;
- prepay other indebtedness;
- enter into transactions with affiliates; and
- fund dividends or repurchase stock.

In addition, the terms of its credit facilities require Tronox Incorporated and its domestic subsidiaries maintain certain minimum levels of EBITDA to interest expense and maximum levels of indebtedness to EBITDA. Tronox Incorporated s revolving credit facility also requires that it maintain a minimum level of EBITDA to fixed charges during periods when excess borrowing availability is below a certain minimum threshold. The breach of any covenants or obligations in Tronox Incorporated s credit facilities, not otherwise waived or amended, could result in a default under the applicable debt obligations and could trigger acceleration of those obligations, which in turn could trigger cross defaults under other future agreements governing Tronox Limited s long-term indebtedness. In addition, the secured lenders under the credit facilities could foreclose on their collateral, which includes equity interests in Tronox Incorporated s subsidiaries, and exercise other rights of secured creditors. Any default under those credit facilities could adversely affect Tronox Limited s growth, its financial condition, its results of operations and its ability to make payments on its credit facilities, and could force Tronox Limited to seek the protection of the bankruptcy laws.

Tronox Limited will depend on generating (and having available to the applicable obligor) sufficient cash flow to fund its debt obligations, capital expenditures, and ongoing operations.

Tronox Limited is a holding company that is dependent on cash flows from its operating subsidiaries to fund its debt obligations, capital expenditures and ongoing operations.

All of Tronox Limited s operations are conducted and all of its assets will be owned by its operating companies, which are its subsidiaries, and Tronox Limited intends to continue to conduct its operations at the operating companies and any future subsidiaries. Consequently, Tronox Limited s cash flow and ability to meet its obligations or make cash distributions depend upon the cash flow of its operating companies and any future subsidiaries and the payment of funds by its operating companies and any future subsidiaries in the form of dividends or otherwise. The ability of Tronox Limited s operating companies and any future subsidiaries to make any payments to Tronox Limited depend on their earnings, the terms of their indebtedness, including the terms of any credit facilities, and legal restrictions.

Tronox Limited s ability to service its debt and fund its planned capital expenditures and ongoing operations will depend on its ability to generate and grow cash flow and access to additional liquidity sources. Tronox Limited s ability to generate and grow cash flow is dependent on many factors, including:

its ability to sustain and grow revenues and cash flows from operating activities

the impact of competition from other chemical and materials manufacturers and diversified companies;

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general world business conditions, economic uncertainty or downturn and the significant downturn in housing construction and overall economies;

its ability to obtain raw materials at reasonable prices or to raise prices to offset, in whole or in part, the effects of higher raw material costs;

its ability to adequately deliver customer service and competitive product quality; and

the effects of governmental regulation on its business.

Some of these factors are beyond Tronox Limited s control. It is also difficult to assess the impact that a continuing general economic downturn will have on future operations and financial results. A general economic downturn can result in reduced spending by customers, which will impact Tronox Limited s revenues and cash flows from operating activities. At reduced performance, if Tronox Limited is unable to generate sufficient cash flow or to access additional liquidity sources, it may not be able to service and repay its existing debt, operate its business, respond to competitive challenges, or fund its other liquidity and capital needs.

Tronox Limited may need additional capital in the future and may not be able to obtain it on favorable terms, if at all.

Tronox Limited s industry is capital intensive and its success depends to a significant degree on its ability to develop and market innovative products and to update its facilities and process technology. Tronox Limited may require additional capital in the future to finance its future growth and development, implement further marketing and sales activities, fund ongoing research and development activities and meet general working capital needs. Tronox Limited s capital requirements will depend on many factors, including acceptance of and demand for its products, the extent to which it invests in new technology and research and development projects and the status and timing of these developments, as well as general availability of capital from debt and/or equity markets. Additional financing may not be available when needed on terms favorable to Tronox Limited or at all. Further, the terms of the debt Tronox Limited inherits from Tronox Incorporated in the Transaction may limit its ability to incur additional indebtedness or issue additional equity. If Tronox Limited is unable to obtain adequate funds on acceptable terms, it may be unable to develop or enhance its products, take advantage of future opportunities or respond to competitive pressures, which could harm its business.

Requirements associated with being a public company will increase Tronox Limited s costs, may consume Tronox Limited s resources and management s focus, and may affect its ability to attract and retain qualified board members and executive officers.

Neither Tronox Limited nor Exxaro Mineral Sands have been subject to the reporting requirements of the Securities Exchange Act of 1934 (the Exchange Act) or the other rules and regulations of the SEC or any securities exchange in the United States relating to public companies. Tronox Limited expects to comply with Section 404(a) (management s report on financial reporting) under the Sarbanes-Oxley Act of 2002 for the year ending December 31, 2013 and expects to comply with Section 404(b) (auditor s attestation) no later than the year ending December 31, 2013. Tronox Limited intends to work with its legal and independent accounting advisors to identify those areas in which changes or enhancements should be made to Tronox Incorporated s and Exxaro Mineral Sands s financial and management control systems to manage Tronox Limited s growth and obligations as a public company. Areas for special attention are anticipated to include corporate governance, corporate control, internal audit, disclosure controls and procedures, and financial reporting and accounting systems. The expenses that will be required in becoming a public company could be material. Compliance with the various reporting and other requirements applicable to public companies will also require further time and attention of management. In addition, the increased regulatory risks and reporting requirements as a result of Tronox Limited being a public company may make it more difficult for Tronox Limited to retain and hire executive officers and identify directors who are willing to serve on the board of Tronox Limited after completion of the Transaction.

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The introduction of new taxes or taxation reform, such as mining royalties in South Africa or the Australian carbon tax legislation, may adversely impact the profitability of Tronox Limited s operations.

The South African mining industry currently is taxed under a taxation formula which recognizes the high level of capital expenditure required to sustain a mining operation over the life of the mine. The application of this formula results in mines getting an accelerated depreciation for taxation purposes. In addition, the Mineral and Petroleum Resources Royalty Act, No. 28 of 2008, effective from March 1, 2010, imposes a royalty on refined and unrefined minerals, which must be paid to the state. The royalty is calculated using a royalty rate formula (described further under The Businesses Description of Exxaro Mineral Sands Regulation of the Mining Industry in South Africa and Australia Mining Regulation in South Africa The Royalty Act), and is payable half yearly with a third and final payment thereafter. The royalty is tax deductible, and the cost after tax amounts to a rate of between 0.36% and 5.0% at the prevailing applicable marginal tax rates. The royalty for 2011 is approximately 1.34% of the average percentage of total turnover for Exxaro Mineral Sands s South African operations. In addition, a new Australian carbon tax law has been adopted beginning in 2012 that will impact the TiO_2 plant operated by the Tiwest Joint Venture. The estimated impact to the Tiwest Joint Venture is approximately A$10 million ($9.7 million) annually. Changes or increases in revenue-based royalties or any future tax reforms, such as the introduction of the proposed carbon tax in South Africa, could adversely impact Tronox Limited s business, operating results and financial condition.

Under the draft policy document recently published by the ANC, a key proposal is the replacement of the current royalty regime with a super tax levied in the amount of 50% on all profits generated by a mineral rights holder after a normal return on investment has been achieved, as further discussed under Regulatory Risks Changes to government policies in South Africa may adversely affect New Tronox s business, operating results and financial condition.

Risks Related to Ownership of the Class A Shares

Upon completion of the Transaction, Exxaro may exert substantial influence over us and may exercise their influence in a manner adverse to your interests.

Upon completion of the Transaction, Exxaro will beneficially own all of Tronox Limited s outstanding Class B shares. Assuming all of the Exchangeable Shares are exchanged for Class A Shares and cash, Exxaro will beneficially own approximately 38.5% of Tronox Limited s outstanding voting securities immediately after completion of the Transaction. In addition, in the future, Exxaro may exchange its retained interest in the South African Acquired Companies for additional Class B Shares, bringing its beneficial ownership to approximately 41.7% of Tronox Limited s voting securities (based on the total number of issued voting shares immediately after completion of the transactions contemplated by the Transaction Agreement and assuming the exchange of all Exchangeable Shares and no other issuances of Tronox Limited shares).

In addition to Exxaro s significant ownership interest in Tronox Limited, Exxaro will be entitled to certain rights pertaining to the governance of Tronox Limited under the Constitution and the Shareholder s Deed. For example, the Constitution provides that, for as long as the Class B Voting Interest is at least 10.0% of the total voting interest in Tronox Limited, there must be nine directors on Tronox Limited s board; the holders of Class A Shares will be entitled to vote separately to elect a certain number of directors to Tronox Limited s board (which we refer to as Class A Directors), and the holders of Class B Shares will be entitled to vote separately to elect a certain number of directors to Tronox Limited s board (which we refer to as Class B Directors). If the Class B Voting Interest is greater than or equal to 30.0%, Tronox Limited s board will consist of six Class A Directors and three Class B Directors. If the Class B Voting Interest is greater than or equal to 20.0% but less than 30.0%, Tronox Limited s board of directors will consist of seven Class A Directors and two Class B Directors. If the Class B Voting Interest is greater than or equal to 10.0% but less than 20.0%, Tronox Limited s board will consist of eight Class A Directors and one Class B Director.

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Also, the Constitution provides that, subject to certain limitations, for as long as the Class B Voting Interest is at least 20.0%, a separate vote by holders of Class A Shares and Class B Shares is required to approve certain types of merger or similar transactions that will result in a change in control or a sale of all or substantially all of the assets of Tronox Limited or any reorganization or transaction that does not treat Class A and Class B Shares equally.

As a result of Exxaro s significant ownership interest and its governance rights, Exxaro will be able to exert substantial influence over the management of Tronox Limited, its operations and potential significant corporate transactions, including a change in control or the sale of all or substantially all of the assets of Tronox Limited. Exxaro s influence may have an adverse effect on the trading price of the Class A Shares and may discourage potential acquirers of Tronox Limited from making takeover offers. In addition, Exxaro s interest may differ from the interests of the other shareholders of Tronox Limited and thus may result in corporate decisions that are disadvantageous to the other shareholders.

For more information regarding ownership of Class B Shares by Exxaro and the rights associated with Tronox Limited s Class B Shares, see the sections of this proxy statement/prospectus entitled Description of the Transaction Documents Shareholder s Deed and Governance of Tronox Limited.

The rights and responsibilities of Class A Shares will be governed by Australian law and the Constitution, which will differ in several respects from the rights and responsibilities of stockholders under Delaware law and Tronox Incorporated s current organizational documents.

Following completion of the Transaction, each stockholder of Tronox Incorporated (other than stockholders whose shares of Tronox Incorporated common stock are converted into Exchangeable Shares pursuant to their election and the terms of the Transaction Agreement) will receive Class A Shares of Tronox Limited and cash in the Mergers, and therefore become shareholders of Tronox Limited. Tronox Limited s corporate affairs will be governed by the Constitution and the applicable provisions of laws governing companies incorporated in Australia. The rights of holders of Class A Shares and the responsibilities of members of Tronox Limited s board of directors under Australian law and the Constitution will differ from the rights of Tronox Incorporated s stockholders and the responsibilities of Tronox Incorporated s board of directors under the laws of Delaware and Tronox Incorporated s certificate of incorporation and bylaws. As a result, there will be material differences between the current rights of Tronox Incorporated stockholders and the rights they can expect to have as holders of Class A Shares. These differences include the following:

- while Tronox Incorporated stockholders may take action by written consent in lieu of a meeting, holders of Class A Shares of Tronox Limited must take action at a shareholders meeting;

- while any stockholder of record of Tronox Incorporated may make director nominations upon compliance with the procedural requirements in the bylaws of Tronox Incorporated, shareholders of Tronox Limited must, in addition to complying with the procedural requirements in the Constitution, hold or beneficially own at least 5.0% of the voting shares of Tronox Limited and have held such shares since the completion of the Transaction or for at least three years in order to make director nominations at a shareholders meeting;

- while any stockholder of record of Tronox Incorporated may bring business proposals to a stockholders meeting upon compliance with the procedural requirements in the bylaws of Tronox Incorporated, in order to propose a shareholder resolution for any shareholders meeting of Tronox Limited, in addition to complying with the procedural requirements in the Constitution, the resolution must be proposed by shareholders holding at least 5.0% of the votes that may be cast on the resolution, or by 100 shareholders entitled to vote at the meeting (however, the board of directors of Tronox Limited is not required to put a resolution to shareholders unless it is one which the general meeting is competent to consider and pass);

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- while Tronox Incorporated stockholders may approve any merger or sale of all or substantially all of the assets of Tronox Incorporated by the affirmative vote of holders of a majority of the voting power of the outstanding shares of Tronox Incorporated common stock, such transactions will require the approval by the affirmative vote of a majority of Class A Shares and a majority of Class B Shares, voting as separate classes, for as long as Class B Shares represent 20.0% of the outstanding voting power of Tronox Limited;

- while stockholders of Tronox Incorporated have the right to seek a judicial determination of the fair value of their shares under Delaware law if they dissent from certain mergers and other transactions, Australian law does not provide for such appraisal rights; and

- while no such limitations apply with respect to an increase in voting power in Tronox Incorporated, any increase in the voting power of any person in Tronox Limited from 20.0% or below to more than 20.0%, or from an ownership level between 20.0% and 90.0%, must be approved by the board of directors of Tronox Limited or by the required vote of Tronox Limited shareholders as set forth in the Constitution.

For a discussion of material differences between the current rights of Tronox Incorporated stockholders and the rights they will have as holders of Class A Shares of Tronox Limited, see Comparative Rights of Stockholders of Tronox Incorporated and Shareholders of Tronox Limited.

It may be difficult for holders of Class A Shares who are not familiar with Australian corporate law and market practice to exercise their shareholder rights due to foreign legal concepts and customs. These aspects could have a material adverse effect on the value of Tronox Limited s shares and could materially impact the rights of Tronox Limited s shareholders.

Tronox Incorporated stockholders will have a reduced ownership and voting interest after the Transaction and will exercise less influence over the management of Tronox Limited.

Tronox Incorporated stockholders will own a smaller percentage of Tronox Limited than they currently own of Tronox Incorporated. Current Tronox Incorporated stockholders own 100% of the common stock of Tronox Incorporated. Immediately upon completion of the Transaction, former Tronox Incorporated stockholders will own 100.0% of the outstanding Class A Shares, which will represent approximately 61.5% of the voting securities of Tronox Limited, and Exxaro will own 100% of the Class B Shares, which will represent approximately 38.5% of the voting securities of Tronox Limited, assuming no Tronox Incorporated stockholders elect to receive Exchangeable Shares. Class A Shares and Class B Shares have the same rights to vote and to receive dividends and other distributions, subject to exceptions that are described under the heading Governance of Tronox Limited.

The Class A Shares have no prior market, and the share price may decline or fluctuate substantially after completion of the Transaction.

Prior to completion of this Transaction and the filing of this proxy statement/prospectus, there has not been a public market for the Class A Shares. Although Tronox Limited has applied for listing of Class A Shares, an active trading market for Class A Shares may not develop or be sustained. An illiquid market for Class A Shares may result in volatility and poor execution of buy and sell orders for investors. The price of Class A Shares available in the public market may not reflect Tronox Limited s actual financial performance. Among the factors that could affect Tronox Limited s share price are:

- Tronox Limited s operating and financial performance and prospects;

- quarterly variations in the rate of growth of Tronox Limited s financial indicators, such as earnings per share, net income, EBITDA and revenues;

- the amount and timing of operating costs and capital expenditures relating to the maintenance and expansion of Tronox Limited s business, operations and infrastructure;

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strategic actions by Tronox Limited or its competitors, such as acquisitions or restructurings;

substantial volume of sales of the Class A Shares;

changes in the availability or prices of raw materials;

general market conditions, including fluctuations in commodity prices; and

U.S. and international economic, legal and regulatory factors unrelated to Tronox Limited s performance.

The stock markets in general have experienced extreme volatility that has at times been unrelated to the operating performance of particular companies. These broad market fluctuations may also result in a lower trading price of Class A Shares.

Future sales of Class A Shares or exchange of the Exchangeable Shares may depress Tronox Limited s stock price.

Sales of a substantial number of Class A Shares after the Transaction could result in a lower market price of Class A Shares by introducing a significant increase in the supply of Class A Shares to the market. This increased supply could cause the market price of Class A Shares to decline significantly.

After completion of the Transaction, there will be at least 12,952,820 Class A Shares outstanding. All of the Class A Shares issued in connection with the Transaction will be freely tradable without restriction or further registration under the federal securities laws unless acquired by one of Tronox Limited s affiliates, as that term is defined in Rule 144 under the Securities Act. In addition, up to 2,285,792 Class A Shares will be issuable upon exchange of the Exchangeable Shares. All such Class A Shares will be available for immediate resale in the public market upon exchange, except for any such shares acquired by Tronox Limited s affiliates.

If we fail to maintain an effective system of internal controls, we might be unable to report our financial results accurately or prevent fraud; in that case, our shareholders could lose confidence in our financial reporting, which would harm our business and could negatively impact the price of our shares.

Effective internal controls are necessary for us to provide reliable financial reports and prevent fraud. In addition, as a result of becoming a public company, Section 404 of the Sarbanes-Oxley Act will require us and our independent registered public accounting firm to evaluate and report on our internal control over financial reporting beginning with our Annual Report on Form 10-K for the year ending December 31, 2013. The process of implementing our internal controls and complying with Section 404 will be expensive and time consuming, and will require significant attention of management. We cannot be certain that these measures will ensure that we implement and maintain adequate controls over our financial processes and reporting in the future. Even if we conclude, and our independent registered public accounting firm concurs, that our internal control over financial reporting provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, because of its inherent limitations, internal control over financial reporting may not prevent or detect fraud or misstatements. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our results of operations or cause it to fail to meet its reporting obligations. If we or our independent registered public accounting firm discovers a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market s confidence in our financial statements and harm our stock price. In addition, a delay in compliance with Section 404 could subject us to a variety of administrative sanctions, including SEC action, ineligibility for short form resale registration, the suspension or delisting of our shares from the stock exchange(s) on which our shares are then listed and the inability of registered broker-dealers to make a market in our shares, which would further reduce our share price and could harm our business.

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If Tronox Limited experiences material weaknesses in internal controls in the future, as Tronox Incorporated has in the past, or otherwise fails to maintain an effective system of internal controls in the future, Tronox Limited may not be able to accurately report its financial condition or results of operations which may adversely affect investor confidence in us and, as a result, the value of Class A Shares.

We will be required, under Section 404 of the Sarbanes-Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting beginning with the filing of our Annual Report on Form 10-K for fiscal year 2013. This assessment will need to include disclosure of any material weaknesses identified by our management in its internal control over financial reporting. A material weakness is a deficiency or combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company s annual or interim financial statements will not be prevented or detected on a timely basis.

Tronox Incorporated is in the early stages of further enhancing the computer systems processes and related documentation necessary to perform the evaluation needed to comply with Section 404. Tronox Incorporated may not be able to complete this evaluation, testing and any required remediation in a timely fashion. During the evaluation and testing process, if Tronox Incorporated identifies one or more material weaknesses in our internal controls over financial reporting, we may be unable to assert that our internal controls are effective. If Tronox Incorporated or Tronox Limited is unable to conclude that our internal controls over financial reporting are effective, we could lose investor confidence in the accuracy and completeness of our financial reports, which would likely cause the price of our shares to decline.

In connection with Tronox Incorporated s fiscal year 2010 audit, its independent registered public accounting firm identified material weaknesses in Tronox Incorporated s internal control over financial reporting, which were due to identifying control deficiencies, which when aggregated, resulted in material weaknesses with respect to financial accounting and reporting resources, policies and procedures, internal controls and income taxes. These deficiencies related primarily to stagnant internal control policies and procedures including the lack of formal documentation and review of accounting information, which led to an inconsistent application of accounting policies and procedures, and a lack of segregation of duties due to a lack of personnel with an appropriate level of accounting knowledge, experience and training in the application of generally accepted accounting principles. Tronox Incorporated s independent auditor also identified significant deficiencies in information system controls.

Since then, Tronox Incorporated has taken steps to address the material weaknesses disclosed in the preceding paragraph, including hiring appropriately qualified accounting personnel to increase its staff to a more appropriate headcount level and has engaged external resources to enhance the overall design of Tronox Incorporated s internal controls. As a result of these actions, we believe Tronox Incorporated s consolidated financial statements and related notes included elsewhere in this proxy statement/prospectus reflect the correct application of accounting guidance in accordance with GAAP.

Securities or industry analysts reports about Tronox Limited s business, including if they adversely change their recommendations regarding the Class A Shares or if Tronox Limited s operating results do not meet their forecasted expectations, Tronox Limited s share price and trading volume could be volatile and possibly decline.

The trading market for the Class A Shares will be influenced by the research and reports that securities or industry analysts publish about Tronox Limited or its business. We do not have any control over these reports or analysts. If any of the analysts who cover Tronox Limited downgrades the Class A Shares, or if Tronox Limited s operating results do not meet the analysts expectations, the price of the Class A Shares could decline. Moreover, if any of these analysts ceases coverage of Tronox Limited or fails to publish regular reports on its business, Tronox Limited could lose visibility in the financial markets, which in turn could cause share price and trading volume of the Class A Shares to decline.

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Provisions in the Constitution and the Shareholder s Deed, as well as the Australian takeover rules and Australian law, may delay or prevent our acquisition by a third party.

The Constitution and the Shareholder s Deed contain several provisions that may make it more difficult for a third party to acquire control of Tronox Limited without the approval of Tronox Limited s board of directors and the approval by Exxaro and its affiliates as holders of Class B Shares. Tronox Limited is also subject to the Australian takeover regime, which is described under The Transaction Regulatory Matters, which may increase the time and expense involved in a third party seeking control of Tronox Limited. These provisions also may delay, prevent or deter a merger, acquisition, takeover offer, proxy contest or other transaction that might otherwise result in Tronox Limited s shareholders receiving a premium over the market price for their common shares. See Description of Transaction Documents Shareholder s Deed Governance Matters and Governance of Tronox Limited Ordinary Shares.

There may be difficulty in effecting service of legal process and enforcing judgments against Tronox Limited and our directors and management.

Tronox Limited is registered under the laws of Western Australia, Australia and substantial portions of our assets will be located outside of the United States. In addition, certain members of our board of directors, as well as certain experts named in this proxy statement/prospectus, will reside outside the United States. As a result, it may be difficult for investors to effect service of process within the United States upon Tronox Limited or such other persons residing outside the United States, or to enforce judgments outside the United States obtained against such persons in U.S. courts in any action, including actions predicated upon the civil liability provisions of the U.S. federal securities laws. In addition, it may be difficult for investors to enforce rights predicated upon the U.S. federal securities laws in original actions brought in courts in jurisdictions located outside the United States.

The United States and Australia currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments (other than arbitral awards) in civil and commercial matters. A final judgment for the payment of money rendered by any federal or state court in the United States that is enforceable in the United States, whether or not predicated solely upon U.S. federal securities laws, would not automatically be recognized or enforceable in Australia. In order to obtain a judgment that is enforceable in Australia, the party in whose favor a final and conclusive judgment of the U.S. court has been rendered will be required to file its claim with a court of competent jurisdiction in Australia. Such party may submit to the Australian court the final judgment rendered by the U.S. court. If and to the extent that the Australian court finds that the judgment is final and conclusive, the jurisdiction of the U.S. court has been based on grounds which are internationally acceptable and the U.S. court had jurisdiction under its own law, the Australian court will, in principle, give binding effect to the judgment of the court of the United States without substantive re-examination or re-litigation on the merits of the subject matter thereof, unless certain circumstances apply including that the U.S. court process did not meet the requirements of natural justice or such judgment is not for a fixed or definite sum of money, is subject to a declaration under the Foreign Proceedings (Excess of Jurisdiction) Act 1984, contravenes principles of public policy of Australia, was obtained by fraud, or relates to a penal, revenue or other public law. There is doubt as to the enforceability in Australia of judgments of U.S. courts in relation to U.S. federal and state securities laws. Based on the foregoing, there can be no assurance that U.S. investors will be able to enforce any judgments obtained in U.S. courts in civil and commercial matters, including judgments under the U.S. federal securities laws. In addition, there is doubt as to whether an Australian court would accept jurisdiction against us or members of our board of directors, officers or certain experts named in this proxy statement/prospectus who are residents of Australia or countries other than the United States and impose civil liability on us, the members of our board of directors, our officers or certain experts named in this proxy statement/prospectus in an original action predicated solely upon U.S. federal or state securities laws brought in a court of competent jurisdiction in Australia against us or such members, officers or experts, respectively.

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Risks Related to Ownership of the Exchangeable Shares

The Exchangeable Shares will not be transferable immediately and any holder thereof requesting an exchange into Class A Shares will experience a delay in receiving their Class A Shares, which may affect the value of the Class A Shares the holder receives in an exchange.

The Exchangeable Shares will not be transferable until after December 31, 2012. Therefore, in order for a holder of Exchangeable Shares to find liquidity for its investment, such holder will need to exchange its Exchangeable Shares for Class A Shares and cash. Any holder whose Exchangeable Shares are subsequently exchanged for Class A Shares and cash will not receive Class A Shares for 3 to 20 business days after the applicable request is received or after Tronox Incorporated elects to effect an exchange. During this 3 to 20 business day period, the market price of Class A Shares may decrease. Any such decrease would affect the value of the consideration to be received by the holder of Exchangeable Shares on the effective date of the exchange. The Exchangeable Share Support Agreement requires Tronox Limited to use reasonable best efforts to cause the Class A Shares issued in connection with any exchange of Exchangeable Shares to be no less freely tradable than the Class A Shares outstanding immediately before the exchange. If the registration statement with respect to the Class A Shares issuable upon any exchange of Exchangeable Shares, which we intend to file prior to the exchange of the Exchangeable Shares or the redemption of Warrants, is not current or is suspended for use by the SEC, no exchange of Exchangeable Shares for Class A Shares and cash may be effected during such period.

Until their shares are exchanged, holders of Exchangeable Shares will not be entitled to dividends or other distributions paid on the Class A Shares and will only have an equity interest in Tronox Incorporated.

Until their shares are exchanged, holders of Exchangeable Shares will not be entitled to dividends or distributions paid on Class A Shares. The Exchangeable Shares reflect an equity interest in Tronox Incorporated and not Tronox Limited. In connection with completion of the Transaction, Tronox Incorporated will transfer certain assets from itself and its subsidiaries to subsidiaries of Tronox Limited, which will no longer be assets or subsidiaries of Tronox Incorporated.

The Exchangeable Share Support Agreement requires Tronox Limited to publicly announce the payment of any dividend on Class A Shares at least 15 business days prior to the record date for such dividend.

The exchange of your Exchangeable Shares may be taxable in the United States and other jurisdictions.

In the opinion of our U.S. tax counsel, Kirkland & Ellis LLP, upon an exchange of Exchangeable Shares into Class A Shares and cash, a U.S. Holder should recognize a gain or loss for U.S. federal income tax purposes equal to the difference between (i) the sum of the fair market value, as of the date of such exchange, of the Class A Shares and cash received in the exchange and (ii) the U.S. Holder s U.S. federal income tax basis in its Exchangeable Shares surrendered in exchange for the Class A Shares and cash. However, the U.S. federal income tax consequences to a U.S. Holder who exchanges Exchangeable Shares for Class A Shares and cash are not entirely clear because there is no definitive precedent regarding the U.S. federal income tax treatment of Exchangeable Shares. If, contrary to the opinion of our U.S. tax counsel, the exchange of a share of Tronox Incorporated common stock for an Exchangeable Share were treated as a taxable exchange for a U.S. Holder, then a U.S. Holder who subsequently exchanged Exchangeable Shares for Class A Shares and cash would recognize gain (but not loss) equal to the lesser of (i) the difference between (x) the sum of the fair market value, as of the exchange date, of the Class A Shares and cash received in the exchange and (y) the U.S. Holder s U.S. federal income tax basis in its Exchangeable Shares, and (ii) the amount of cash received in the exchange. See The Transaction Material U.S. Federal Tax Consequences of the Transaction Consequences to U.S. Holders Who Receive Exchangeable Shares.

In addition, beginning on October 30, 2012, Tronox Incorporated will have the right to exchange each outstanding Exchangeable Share for (i) one Class A Share of Tronox Limited, (ii) an amount in cash equal to $12.50 without interest, and (iii) cash equal to any declared but unpaid dividends on such Exchangeable Share if the holder thereof was a holder of record on the applicable dividend record date. If Tronox Incorporated were to

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exercise this right, then each U.S. Holder would recognize gain or loss in the manner described above on the date of such exchange, and such gain or loss would be long term capital gain or loss only if such U.S. Holder had, as of such exchange date, a holding period for federal income tax purposes in its Exchangeable Shares of more than one year. Therefore, if Tronox Incorporated exercised its exchange right on October 30, 2012, then a U.S. Holder of Exchangeable Shares could recognize long term capital gain or loss on the exchange only if such U.S. Holder acquired its shares of Tronox Incorporated common stock on or before October 29, 2011, and received the Exchangeable Shares in exchange for such shares of Tronox Incorporated common stock in the Mergers. Accordingly, gain or loss recognized on the exchange of Exchangeable Shares for Class A Shares and cash by a U.S. Holder who acquired shares of Tronox Incorporated common stock after October 29, 2011 (approximately one month after the September 26, 2011 date of announcement of the Transaction) may not qualify for long term capital gain treatment if Tronox Incorporated exercises its exchange right on October 30, 2012, even if such U.S. Holder has elected to receive Exchangeable Shares in the Mergers.

Exchanges of Exchangeable Shares by Non-U.S. Holders may be subject to taxes as well.

The U.S. Internal Revenue Service may view the receipt of Exchangeable Shares as a taxable event for U.S. Holders.

It is possible that the U.S. Internal Revenue Service (the IRS) may not accept our view that a U.S. Holder (as defined in The Transaction Material U.S. Federal Income Tax Consequences of the Transaction) should not recognize gain or loss for U.S. federal income tax purposes upon receipt of an Exchangeable Share in exchange for a share of Tronox Incorporated common stock surrendered by the U.S. Holder. If the IRS were to successfully assert this position, then the exchange of a share of Tronox Incorporated common stock for an Exchangeable Share would be a taxable event for a U.S. Holder.

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THE BUSINESSES

Tronox Limited s unaudited pro forma condensed combined statements of operations for the year ended December 31, 2011 is presented as if the Transaction had been completed on January 1, 2011. The unaudited pro forma condensed combined balance sheet as of December 31, 2011, is presented as if the Transaction had been completed on December 31, 2011. For the purposes of this discussion, references to we, us, and our refer to New Tronox when discussing the business following completion of the Transaction and to Tronox Incorporated or Exxaro Mineral Sands, as the context requires, when discussing the business prior to completion of the Transaction.

Our Company

Overview

The Transaction will join one of the leading producers and marketers of TiO_2, Tronox Incorporated, with the world s third-largest producer of titanium feedstock and second-largest producer of zircon, Exxaro Mineral Sands. New Tronox will be one of the leading integrated global producers and marketers of TiO_2 and mineral sands. Our world-class, high-performance TiO_2 products are critical components of everyday consumer applications such as coatings, plastics, paper and other applications. Our mineral sands business will consist primarily of two product streams titanium feedstock and zircon. Titanium feedstock is used primarily to manufacture TiO_2. Zircon, a hard, glossy mineral, is used for the manufacture of ceramics, refractories, TV glass and a range of other industrial and chemical products. In addition, we produce EMD, sodium chlorate, boron-based and other specialty chemicals.

For the year ended December 31, 2011, we had pro forma net sales of $2,305.8 million, pro forma adjusted EBITDA of $843.8 million and pro forma income from continuing operations attributable to Tronox Limited of $497.2 million.

TiO_2 Operations

We will be the world s third-largest producer and marketer of TiO_2 manufactured via chloride technology. We will have global operations in the Americas, Europe and the Asia-Pacific region. Our assured feedstock supply and global presence, combined with a focus on providing customers with world-class products, end-use market expertise and strong technical support, will allow us to continue to sell products to a diverse portfolio of customers in various regions of the world, with most of whom we have well-established relationships.

We will continue to supply and market TiO_2 under the brand name TRONOX® to more than 1,000 customers in approximately 90 countries, including market leaders in each of the key end-use markets for TiO_2 and have supplied each of our top ten customers with TiO_2 for more than 10 years. These top ten customers represented approximately 36.5% of our total TiO_2 sales volume in 2011. The tables below summarize our 2011 TiO_2 sales volume by geography and end-use market:

2011 Sales Volume by Geography		2011 Sales Volume by End-Use Market	
North America	38.5%	Paints and Coatings	77.1%
Latin America	7.5%	Plastics	19.9%
Europe	22.5%	Paper and Specialty	3.0%
Asia-Pacific	31.5%		

We will continue to operate three TiO_2 facilities at Hamilton, Mississippi, Botlek, The Netherlands and Kwinana, Australia representing 465,000 tonnes of annual TiO_2 production capacity. We are one of a limited number of TiO_2 producers in the world with chloride production technology, which we believe is preferred for

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many of the largest end-use applications compared to TiO_2 manufactured by other TiO_2 production technologies. We hold more than 200 patents worldwide and have a highly skilled work force.

Mineral Sands Operations

Our mineral sands operations will consist of two product streams titanium feedstock, which includes ilmenite, natural rutile, titanium slag and synthetic rutile, and zircon, which is contained in the mineral sands we extract to capture our natural titanium feedstock. Based on our internal estimates and data reported by TZMI, Exxaro Mineral Sands (including 100% of the Tiwest Joint Venture) was the third-largest titanium feedstock producer with approximately 10% of global titanium feedstock production and the second-largest zircon producer with approximately 20% of global zircon production. We will operate three separate mining operations: KZN Sands and Namakwa Sands located in South Africa and Tiwest located in Australia, which have a combined production capacity of 723,000 tonnes of titanium feedstock and 265,000 tonnes of zircon.

Titanium feedstock is the most significant raw material used in the manufacture of TiO_2. We believe annual production of titanium feedstock from our mineral sands operations will continue to exceed the raw material supply requirement for our TiO_2 operations. Zircon is primarily used as an additive in ceramic glazes, a market which has grown substantially during the previous decade and is favorably exposed to long-term development trends in the emerging markets, principally China.

The table set forth under The Businesses Exxaro Mineral Sands Properties and Reserves Mineral Resources and Reserves summarizes Exxaro Mineral Sands s proven and probable ore reserves and estimated mineral resources as of December 31, 2011.

The mineral sands operations also produce high purity pig iron as a co-product. It is typically low in manganese, phosphorus and sulfur and is sold to foundries as a dilutant for trace elements and to steel producers for iron units.

Electrolytic and Other Chemical Products Operations

Our electrolytic and other chemical products operations are primarily focused on advanced battery materials, sodium chlorate and specialty boron products. Battery material end-use applications include alkaline batteries for flashlights, electronic games, medical and industrial devices as well as lithium batteries for power tools, hybrid electric vehicles, laptops and power supplies. Sodium chlorate is used in the pulp and paper industry in pulp bleaching applications. Specialty boron product end-use applications include semiconductors, pharmaceuticals, high-performance fibers, specialty ceramics and epoxies as well as igniter formulations.

We operate two electrolytic and other chemical facilities in the United States: one in Hamilton, Mississippi producing sodium chlorate and one in Henderson, Nevada producing EMD and boron products.

Industry Background and Outlook

TiO_2 Industry Background and Outlook

TiO_2 is used in a wide range of products due to its ability to impart whiteness, brightness and opacity. TiO_2 is used extensively in the manufacture of coatings, plastics and paper and in a wider range of other applications, including inks, fibers, rubber, food, cosmetics and pharmaceuticals. TiO_2 is a critical component of everyday consumer applications due to its superior ability to cover or mask other materials effectively and efficiently relative to alternative white pigments and extenders. We believe that, at present, TiO_2 has no effective substitute because no other white pigment has the physical properties for achieving comparable opacity and brightness or can be incorporated in as cost-effective a manner. In addition to us, there are only four other major global producers of TiO_2: E.I. du Pont de Nemours & Co., or Dupont; Millennium Inorganic Chemicals, Inc. (a subsidiary of National

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Titanium Dioxide Company Ltd.), or Cristal; Huntsman Corporation; and Kronos Worldwide Inc. Collectively, these five producers accounted for more than 60% of the global market in 2010, according to TZMI.

Based on publicly reported industry sales by the leading TiO_2 producers, we estimate that global sales of TiO_2 in 2010 exceeded 5.3 million tonnes, generating approximately $12 billion in industry-wide revenues. As a result of strong underlying demand and high TiO_2 capacity utilization, TiO_2 selling prices increased significantly in 2010 and continued to increase throughout 2011. Although demand softened in the three months ended December 31, 2011 and may remain soft in the first quarter of 2012, we believe average prices will continue to increase through the medium term due to the supply/demand dynamics and favorable outlook in the TiO_2 industry. We believe demand for TiO_2 from coatings, plastics and paper and specialty products manufacturers will continue to increase due to increasing per capita consumption in Asia and other emerging markets whereas we believe supply of TiO_2 is constrained due to already high capacity utilization, and lack of publically announced new construction of additional greenfield production facilities, and limited incremental titanium feedstock supply available even if new production plants were to be constructed. At present, publicly reported TiO_2 industry capacity expansions are almost exclusively through debottlenecking initiatives resulting in relatively modest industry-wide capacity additions.

TiO_2 is produced using one of two commercial production processes: the chloride process and the sulfate process. The chloride process is a newer technology, and we believe it has several advantages over the sulfate process: it generates less waste, uses less energy, is less labor intensive and permits the direct recycle of a major process chemical, chlorine, back into the production process. Commercial production of TiO_2 results in one of two different crystal forms, either rutile or anatase. Rutile TiO_2 is preferred over anatase TiO_2 for many of the largest end-use applications, such as coatings and plastics, because its higher refractive index imparts better hiding power at lower quantities than the anatase crystal form and it is more suitable for outdoor use because it is more durable. Although rutile TiO_2 can be produced using either the chloride process or the sulfate process, customers often prefer rutile produced using the chloride process. All of our global production capacity utilizes the chloride process to produce rutile TiO_2.

The primary raw materials that are used to produce TiO_2 are various types of titanium feedstock, which include ilmenite, rutile, leucoxene, titanium slag (chloride slag and sulfate slag), upgraded slag and synthetic rutile. Based on TZMI titanium feedstock price forecasts and our own internal calculations, we estimate that global sales of titanium feedstock in 2010 exceeded 9.1 million tonnes, generating approximately $2.3 billion in industry-wide revenues. Titanium feedstock supply is currently experiencing supply constraints due to the depletion of legacy ore bodies, lack of investment in mining new deposits, and high risk and long lead time (typically up to 5 years) in starting new projects. At present, the titanium feedstock industry capacity expansions are extremely limited and are expected to remain so over the medium term. Titanium feedstock prices, which are typically determined by multi-year contracts, have been slower to respond to these market conditions due to contractual protections in legacy contracts. As these legacy contracts are negotiated and renewed, we believe the supply/demand outlook will remain tight in the titanium feedstock industry in the coming years. Although it is widely known that a number of new titanium feedstock projects are currently being evaluated, many of these remain at the investigation stage, and it is not anticipated that all reported projects will ultimately come into commercial production.

Zircon Industry Background and Outlook

Zircon is a mineral which is primarily used as an additive in ceramic glazes to provide whiteness, brightness and opacity as well as to add hardness which makes the ceramic glazes more water, chemical, and abrasion resistant. Zircon is also used for the production of zirconium and zirconium chemicals, in refractories, as a molding sand in foundries and for TV glass, where it is noted for its structural stability at high temperatures and resistance to abrasive and corrosive conditions. TZMI has estimated that approximately three-quarters of the total global zircon supply comes from South Africa and Australia. The top three zircon suppliers in 2010 were Iluka, Exxaro Mineral Sands and Richards Bay Minerals (including 100% of the Tiwest Joint Venture), representing approximately 33%, 20% and 17%, respectively, of the total zircon production.

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TZMI estimates that global sales of zircon in 2010 were approximately 1.3 million tonnes. As a result of strong underlying demand, zircon selling prices increased significantly in both 2010 and 2011. The value of zircon has increased primarily as a result of increasing demand for ceramic tiles, plates, dishes and industrial products in emerging markets, principally China. We believe the supply/demand outlook will remain tight in the zircon industry. Although demand softened in the three months ended December 31, 2011 and may remain soft in the first quarter of 2012, we believe demand for zircon will continue to increase due to broad trends in urbanization and industrial development in emerging markets, principally China.

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Titanium production process

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Our Competitive Strengths

Leading Global Market Positions

We will be among the world s largest producers and marketers of TiO_2 products with approximately 8% of reported industry capacity in 2010, and one of the world s largest integrated TiO_2 producers. We are the world s third-largest producer and supplier of TiO_2 manufactured via chloride technology, which we believe is preferred for many applications compared to TiO_2 manufactured by other TiO_2 production technologies. Based on our internal estimates and data reported by TZMI, in 2010, we were the third-largest titanium feedstock producer with approximately 10% of global titanium feedstock production and the second-largest zircon producer with approximately 20% of global zircon production. Additionally, our fully integrated and global production facilities and sales and marketing presence in the Americas, Europe, Africa and the Asia-Pacific region enables us to provide customers in over 90 countries with a reliable supply of our products. The diversity of the geographic regions we serve increases our exposure to faster growing geographies, such as the Asia-Pacific region, and also mitigates our exposure to regional economic downturns because we can shift supply from weaker to stronger regions. We believe our relative size and vertical integration will provide us with a competitive advantage in retaining existing customers and obtaining new business.

Well Positioned to Capitalize on Trends in the TiO_2 and Zircon Industries

We believe the markets in which we participate are, and will remain for the short and medium term, supply constrained, by which we mean that, into the medium term, we anticipate no extended periods during which the supply of higher grade titanium feedstock, TiO_2 and zircon will significantly exceed demand for each of these products. Moreover, we expect that these conditions will become more pronounced as demand continues to grow faster than supply. Because our production of titanium feedstock exceeds our required consumption, we believe that we will be well positioned to benefit from these market conditions. We will assure ourselves of the requisite supply for our TiO_2 operations and we will share in the financial benefits at both the mineral sands and TiO_2 levels of the supply chain.

Vertically Integrated Platform with Security of Titanium Feedstock Supply

The vertical integration of titanium feedstock and TiO_2 production will provide us with a secure and cost competitive supply of high grade titanium feedstock over the long term. We believe that because we intend to continue to purchase feedstock from third party suppliers and sell feedstock to third party customers, both the financial impact of changes in the feedstock market and our assurance of feedstock supply will place us at an advantage relative to our competitors. This will provide the company with a competitive advantage in customer contracting and production reliability as well as create strategic opportunities to debottleneck and add new TiO_2 capacity at the appropriate times based on industry conditions.

Low Cost and Efficient Production Network

We believe our TiO_2 operations, and specifically our plant in Hamilton, Mississippi, are among the lowest cost producers of TiO_2 globally. This is of particular importance as it positions New Tronox to be competitive through all facets of the TiO_2 cycle. Moreover, our three TiO_2 production facilities are strategically positioned in key geographies. According to TZMI, the Hamilton facility is the third largest TiO_2 production facility in the world and has the size and scale to service customers in North America and around the globe. The Tiwest Joint Venture, located in Australia, is well positioned to service growing demand from Asia. Our Botlek facility, located in the Netherlands, services our European customers and certain specialized applications globally. Combined with Exxaro Mineral Sands s titanium feedstock assets in South Africa and Australia, this network of TiO_2 and titanium feedstock facilities will give us the flexibility to optimize asset and feedstock utilization and generate operational, logistical and market efficiencies.

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TiO_2 and Titanium Feedstock Production Technology

We are one of a limited number of TiO_2 producers in the world with chloride production technology. Our production capacity exclusively uses this process technology, which is the subject of numerous patents worldwide. Although we do not operate sulfate process plants and therefore cannot make a direct comparison, we believe the chloride production process generates less waste, uses less energy and is less labor intensive than the alternative sulfate process. Additionally, our highly efficient titanium feedstock operations in South Africa and Australia are one of a limited number of feedstock producers with the expertise and technology to produce upgraded titanium feedstock (i.e., synthetic rutile and chloride slag) for use in the chloride process.

Innovative, High-Performance Products

We offer innovative, high-performance products for nearly every major TiO_2 end-use application. We seek to develop new products and enhance our current product portfolio to better serve our customers and respond to the increasingly stringent demands of their end-use sectors. Our new product development pipeline has yielded successful grade launches specifically targeting the plastics markets. In addition, we have completed mid-cycle improvement initiatives on our key coatings grades resulting in more robust products across a wide range of coatings formulations.

Experienced Management Team and Staff

The diversity of our management team s business experience provides a broad array of skills that contributes to the successful execution of our business strategy. Our TiO_2 operations team and plant managers, who have an average of 31 years of manufacturing experience, participate in the development and execution of strategies that have resulted in production volume growth, production efficiency improvements and cost reductions. Our mineral sands operations team and plant managers have a deep reservoir of experience in mining, engineering and processing skills gained over many years in various geographies. Additionally, the experience, stability and leadership of our sales organization have been instrumental in growing sales, developing and expanding customer relationships.

Business Strategy

Our business strategy is to enhance our shareholder equity value by optimizing the beneficial effects of our business attributes. More specifically, we will seek to manage our purchases (which we intend to continue) and sales of titanium feedstock and zircon in such a manner as to assure that we do not experience any material feedstock shortages that would require us to slow or interrupt our pigment production. In addition, we intend to direct feedstock to those markets (including, but not limited to, our three owned plants) in a manner that maximizes our returns over the longer term while maintaining our assured supply conditions.

We also believe that we can benefit from employing our substantial fixed cost base to produce additional TiO_2 in our existing facilities. Therefore, enhancing the efficiency of our operations is important in achieving our vision.

We seek to be a significant participant in those markets that produce above average returns for our shareholders rather than be exclusively focused on becoming the largest TiO_2 or mineral sands producer.

Beyond this, our strategy includes the following components:

Maintain Operational Excellence

We are continually evaluating our business to identify opportunities to increase operational efficiency throughout our production network with a focus on maintaining operational excellence and maximizing asset efficiency. Our focus on enhancing operational excellence positions us to maximize yields, minimize operating

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costs and meet market growth over the short term without investing additional capital for capacity expansion. In addition, we intend to continue focusing on increasing manufacturing efficiencies through selected capital projects, process improvements and best practices in order to maximize yields, lower unit costs and improve our margins.

Leverage Our Low-Cost Production Network and Vertical Integration to Deliver Profitability and Cash Flow

We presently have TiO_2 manufacturing facilities designed to produce approximately 465,000 tonnes of TiO_2 annually. We expect that (assuming variable costs per tonne remain constant or decline) increased production from this fixed cost base should increase margins and profitability. In addition, by assuring ourselves of the availability of the supply of titanium feedstock that these production facilities require, and by participating in the profitability of the mineral sands market directly, we have several different means of optimizing profitability and cash flow generation.

Ore-In Use Optimization

We will take advantage of the integrated nature and scale of the combined company, which provides the opportunity to capitalize on a wide range of titanium feedstock grades of Exxaro Mineral Sands due to the ability to (i) optimize internal ore usage and (ii) pursue external titanium feedstock end-markets that provide superior profit margins.

Expand Global Leadership

We plan to continue to capitalize on our strong global market position to drive profitability and cash flow by enhancing existing customer relationships, providing high quality products and offering technical expertise to our customers. Furthermore, our vertically integrated global operations will provide us with a solid platform for future growth in the TiO_2, titanium feedstock, zircon and pig iron markets. Our broad product offering will allow us to participate in a variety of end-use sectors, and pursue those market segments that we believe have attractive growth prospects and profit margins. Our operations will position us to participate in developing regions such as Asia, Eastern Europe and Latin America, which we expect to provide attractive growth opportunities. We will also seek to increase margins by focusing our sales efforts on those end-use sectors and geographic areas that we believe offer the most attractive growth prospects and where we believe we can realize relatively higher selling prices over the long-term than in alternate sectors. We believe our global operations network, distribution infrastructure and technology will enable us to continue to pursue global growth.

Maintain Strong Customer Focus

We will target our key customer groups with innovative, high-performance products that provide enhanced value to our customers at competitive prices. A key component of our business strategy will be to continually enhance our product portfolio with high-quality, market-driven product development. We design our TiO_2 products to satisfy our customers specific requirements for their end-use applications and align our business to respond quickly and efficiently to changes in market demands. In this regard, and in order to continue meeting our customers needs, we recently commercialized a new TiO_2 grade for the durable plastics sector and developed several additional products for other strategic plastic applications in close cooperation with our customer base. We continue to execute on product improvement initiatives for our major coatings products. These improvement strategies will provide value in the form of better optical properties, stability, and durability to our coatings customers. Further, new and enhanced grades are in the pipeline for 2012 and 2013.

In addition, by assuring ourselves of feedstock supply, we assume less risk if we enter into longer term supply contracts with our customers. We believe such contracts may be beneficial to our customers, by assuring a reliable source of supply of TiO_2 from a market in which availability may be threatened under certain foreseeable supply conditions, which could also affect price, and to us, by assuring a predictable sales, revenue and margin performance for some of our sales. Because we are one of the few global TiO_2 producers that is integrated, we

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believe we can enter into such longer term agreements including specific economic terms with less risk than our competitors who do not have 100% assured supply. If our customers also see benefit to them in entering into such agreements, we will consider doing so.

Description of Tronox Incorporated

Company Background

Tronox Incorporated, a Delaware corporation, was formed on May 17, 2005, and upon an IPO, became a publicly traded company in November 2005. Prior to the IPO, Tronox Incorporated was a wholly-owned subsidiary of Kerr-McGee Corporation comprising substantially all of its chemical business. Concurrent with the IPO, Tronox Incorporated, through its wholly-owned subsidiaries, entered into borrowings of $550.0 million from senior unsecured notes and a senior secured credit facility. Tronox Incorporated distributed substantially all of the proceeds from the IPO and borrowings to Kerr-McGee. Following the IPO, Kerr-McGee retained 56.7% of Tronox Incorporated s total outstanding stock which it distributed as a dividend (the Distribution) to Kerr-McGee shareholders on March 30, 2006, resulting in Kerr-McGee having no voting ownership interest in Tronox Incorporated. Through its past affiliation with Kerr-McGee, Tronox Incorporated has more than 40 years of experience operating in the chemical industry. In 2006, Kerr-McGee was acquired by Anadarko Petroleum Corporation.

Bankruptcy Proceedings and Emergence from Chapter 11

On January 12, 2009 (the Petition Date), Tronox Incorporated and certain of its subsidiaries (collectively, the Debtors) filed voluntary petitions in the United States Bankruptcy Court for the Southern District of New York (the Bankruptcy Court) seeking reorganization relief under the provisions of Chapter 11 of Title 11 of the United States Code (the Bankruptcy Code). On November 30, 2010 (the Confirmation Date), the Bankruptcy Court entered an order [Docket No. 2567] (the Confirmation Order) confirming the Debtors First Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code, dated November 5, 2010 (as amended and confirmed, the Plan). Material conditions to the Plan, most notably the approval under U.S. federal and applicable state environmental law of the settlement of the significant legacy environmental liabilities (the Legacy Environmental Liabilities) and legacy tort liabilities (Legacy Tort Liabilities and collectively, with the Legacy Environmental Liabilities, the KM Legacy Liabilities), were resolved during the period from the Confirmation Order until January 26, 2011, and subsequently on February 14, 2011 (the Effective Date), on which date the Debtors consummated their reorganization under the Bankruptcy Code and the Plan became effective. Upon emergence from bankruptcy, Tronox Incorporated retained a U.S. net operating loss carryforward of approximately $143 million. The distributions of securities under the Plan commenced on the Effective Date. In connection with the bankruptcy, Tronox Incorporated ceased to be listed on the NYSE. For further discussion of Tronox Incorporated s emergence from Chapter 11 see Legal Proceedings Chapter 11 Proceedings.

General Development of Business

Overview

Tronox Incorporated is one of the leading producers and marketers of TiO_2, which is used in consumer products such as paint, plastics and certain specialty products. Tronox Incorporated is one of the few TiO_2 manufacturers with global operations, having production facilities and sales and marketing presence in the Americas, Europe and the Asia-Pacific regions.

Tronox Incorporated operates chloride process TiO_2 production facilities in Hamilton, Mississippi, Botlek, the Netherlands and Kwinana, Western Australia. According to TZMI, the Hamilton, Mississippi facility is the third largest plant of its kind in the world by nameplate capacity and the plant located in Kwinana, Western Australia (the Kwinana Facility) is part of the Tiwest Joint Venture. In connection with the Transaction, the Tiwest Joint Venture will become a wholly-owned business of Tronox Limited. The Tiwest Joint Venture is an integral aspect of our operations due to its backward integration into titanium feedstock raw materials. See discussion below under The Tiwest Joint Venture.

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Tronox Incorporated s global presence enables it to sell its products to a diverse portfolio of customers with whom it has well-established relationships. Tronox Incorporated s customer base consists of more than 1,000 customers in approximately 90 countries, including market leaders in each of the major end-use markets for TiO_2. In addition, Tronox Incorporated has supplied each of its top ten customers with TiO_2 for more than ten years.

Tronox Incorporated s business has one reportable segment, pigment, and other businesses, which include electrolytic and other chemical products. We believe Tronox Incorporated s pigment segment is one of the leading global producers and marketers of TiO_2 pigment. Tronox Incorporated s electrolytic and other chemical products business produces EMD, sodium chlorate, boron-based and other specialty chemicals and is focused on three end-use markets: advanced battery materials, sodium chlorate for pulp and paper manufacture and specialty boron products serving the semi-conductor, pharmaceutical and igniter industries.

Tronox Incorporated is one of a limited number of producers in the TiO_2 industry to hold rights to its own proprietary chloride process for the production of TiO_2. All of Tronox Incorporated s current production capacity uses this process technology, which is the subject of numerous patents worldwide. TiO_2 produced using chloride process technology is preferred for some of the largest end-use applications because it generates less waste, uses less energy and is less labor intensive than the sulfate process. The complexity of developing and operating the chloride process technology presents challenges for new entrants.

In the past, Tronox Incorporated has operated, inherited, or held businesses or properties that did not relate to the current chemical business, including businesses involving the treatment of forest products, the refining and marketing of petroleum products, offshore contract drilling, coal mining and the mining, milling and processing of nuclear materials. Most of these businesses or properties were accounted for as discontinued operations.

Based on the country of production, the geographic distribution of Tronox Incorporated s net sales during the eleven months ended December 31, 2011 and one month ended January 31, 2011 and years ended December 31, 2010 and 2009 were as follows:

	Successor		Predecessor	
	Eleven Months Ended December 31, 2011	One month Ended January 31, 2011	Year Ended December 31, 2010	2009
			(Millions of dollars)	
U.S. operations	$ 793.4	$ 60.1	$ 692.1	$ 619.8
International operations				
The Netherlands	274.7	15.1	209.0	175.4
Australia	475.3	32.4	316.5	274.9
Total	$ 1,543.4	$ 107.6	$ 1,217.6	$ 1,070.1

Pigment Segment

Background

TiO_2 is used in a wide range of products for its ability to impart whiteness, brightness and opacity. TiO_2 is a critical component of everyday consumer applications, such as coatings, plastics and paper, as well as many specialty products such as inks, food and cosmetics. TiO_2 is widely considered to be superior to alternative white pigments in large part due to its ability to cover or mask other materials effectively and efficiently, which we refer to as its hiding power. For example, TiO_2 s hiding power helps prevent show-through on printed paper materials (making the materials easier to read) and a higher concentration of TiO_2 within paints reduces the number of coats needed to cover a surface effectively. TiO_2 is designed, marketed and sold based on specific end-use applications.

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The global TiO_2 market is characterized by a small number of large global producers. In addition to Tronox Incorporated, there are four other major global producers: E.I. du Pont de Nemours and Company, National Titanium Cristal, Huntsman and Kronos. These four major producers, along with Tronox Incorporated, accounted for more than 60% of the global market in 2010, according to reports by these producers.

Based on publicly reported industry sales by the leading TiO_2 producers, we estimate that global sales of TiO_2 in 2010 exceeded 5.3 million tonnes, generating approximately $12 billion in industry-wide revenues. Because TiO_2 is a quality of life product, its consumption growth in a region is closely tied to that region s economic health and correlates over time to the growth in its average GDP. According to publicly reported industry estimates, global TiO_2 consumption has been growing at a compounded annual growth rate of approximately 3.3% since 2001.

Although there are other white pigments on the market, we believe that TiO_2 has no effective substitute because no other white pigment has the physical properties for achieving comparable opacity and brightness or can be incorporated in as cost-effective a manner. In an effort to optimize TiO_2 s cost-to-performance ratio in certain applications, some customers also use pigment extenders, such as synthetic pigments, kaolin clays and calcium carbonate. We estimate that the impact on Tronox Incorporated s total sales from the use of such extenders is minimal.

Tronox Incorporated markets TiO_2 under the brand name TRONOX®, and Tronox Incorporated s pigment segment represented approximately 92.0% and 86.5%, respectively, of Tronox Incorporated s net sales during the eleven months ended December 31, 2011 and one month ended January 31, 2011. Tronox Incorporated s world-class, high-performance pigment products are critical components of everyday consumer applications, such as coatings, plastics and paper, as well as specialty products, such as inks, foods and cosmetics.

Globally, including all of the production capacity of the facility operated under the Tiwest Joint Venture (discussed below), we have 465,000 gross tonnes of annual chloride TiO_2 production capacity. Tronox Incorporated holds more than 200 patents worldwide, as well as other intellectual property and a highly skilled and technologically sophisticated work force.

Facilities

Tronox Incorporated has one facility located in each of the United States, Australia, and the Netherlands. Tronox Incorporated owns its facility in the Netherlands, and the land under this facility is held pursuant to long-term leases. Tronox Incorporated owns its facility and land in the United States and holds a 50% interest in its Australian facility and land (with Exxaro subsidiaries owning the other 50% interest pursuant to the terms of the Tiwest Joint Venture).

The following table summarizes Tronox Incorporated s TiO_2 production capacity (in gross tonnes per year) as of December 31, 2011, by location and process:

Facility	Capacity	Process
Hamilton, Mississippi	225,000	Chloride
Kwinana, Western Australia	150,000[(1)]	Chloride
Botlek, The Netherlands	90,000	Chloride
Total	465,000	

(1) Reflects 100.0% of the production capacity of the Tiwest Joint Venture, which prior to completion of the Transaction is allocated 50.0% to Tronox Incorporated and 50.0% to Exxaro.

Including the TiO_2 produced by its Australian facility, Tronox Incorporated produced approximately 434,000 tonnes of TiO_2 in 2011. Tronox Incorporated s average production rates for the facilities shown in the table above, as a percentage of capacity, were 93.3%, 91.8% and 90.4%, in 2011, 2010 and 2009, respectively.

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Over the past five years production at Tronox Incorporated s current facilities increased by approximately 8%, primarily due to low-cost process improvements, improved uptime and debottlenecking. We believe that Tronox Incorporated s global manufacturing presence, coupled with its partial vertical integration, makes Tronox Incorporated a stable supplier for many of the largest TiO_2 consumers.

Manufacturing Process

Production Process. TiO_2 is produced using a combination of processes involving the manufacture of base pigment particles followed by surface treatment, drying and milling (collectively known as finishing). There are two commercial production processes in use: the chloride process and the sulfate process. The chloride process is a newer technology, and we believe it has several advantages over the sulfate process: it generates less waste, uses less energy, is less labor intensive and permits the direct recycle of a major process chemical, chlorine, back into the production process. In addition, as described below under Types of TiO_2 TiO_2 produced using the chloride process is preferred for some of the largest end-use applications. As a result of these advantages, the chloride process currently accounts for substantially all of the industry-wide TiO_2 production capacity in North America and approximately 55% of industry-wide capacity globally. The chloride process accounts for all of Tronox Incorporated s capacity globally.

In the chloride process, feedstock ores (titanium slag, synthetic rutile, natural rutile or ilmenite ores) are reacted with chlorine (the chlorination step) and carbon to form titanium tetrachloride ($TiCl_4$) in a continuous fluid bed reactor. Purification of $TiCl_4$ to remove other chlorinated products is accomplished using a distillation process. The purified $TiCl_4$ is then oxidized in a vapor phase form to produce base pigment particles and chlorine gas. The latter is recycled back to the chlorination step for reuse. Base pigment is then typically slurried with water and dispersants prior to entering the finishing step.

In the sulfate process, batch digestion of ilmenite ore or titanium slag is carried out with concentrated sulfuric acid to form soluble titanyl sulfate. After treatment to remove soluble and insoluble impurities and concentration of the titanyl sulfate, hydrolysis of the liquor forms an insoluble hydrous titanium oxide. This precipitate is filtered, bleached, washed and calcined to produce a base pigment that is then forwarded to the finishing step.

Types of TiO_2. Commercial production of TiO_2 results in one of two different crystal forms, either rutile or anatase. Rutile TiO_2 is preferred over anatase TiO_2 for many of the largest end-use applications, such as coatings and plastics, because its higher refractive index imparts better hiding power at lower quantities than the anatase crystal form and it is more suitable for outdoor use because it is more durable. Although rutile TiO_2 can be produced using either the chloride process or the sulfate process, customers often prefer rutile produced using the chloride process because it typically has a bluer undertone and greater durability. Anatase TiO_2 can only be produced using the sulfate process and has applications in paper, rubber, fibers, ceramics, food and cosmetics.

Raw Materials. The primary raw materials that Tronox Incorporated uses to produce TiO_2 are various types of titanium feedstock, including ilmenite, natural rutile, synthetic rutile, titanium-bearing slag and leucoxene. Tronox Incorporated generally purchases feedstock from a variety of suppliers in Australia, Canada and South Africa under multi-year agreements through 2014. In 2011, Tronox Incorporated purchased approximately 16% of its requirements for titanium feedstock from Exxaro (including Exxaro s 50.0% interest in the Tiwest Joint Venture) and approximately 58% of the synthetic and natural rutile used by Tronox Incorporated s facilities is obtained from the operations under the Tiwest Joint Venture arrangement purchased at open market prices (discussed below).

The Tiwest Joint Venture TiO_2 pigment production operation uses chlorine in the production of TiO_2 using the chloride process. The Tiwest Joint Venture purchases chlorine from a single supplier, and the loss of this supply source would result in a stoppage of the Tiwest Joint Venture pigment production operation as large volumes of chlorine cannot be sourced locally or transported economically over significant distances.

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The Tiwest Joint Venture TiO_2 pigment production operation uses oxygen and nitrogen in the pigment production process. The Tiwest Joint Venture purchases oxygen and nitrogen from a single supplier, and the loss of this supply source would result in a stoppage of the Tiwest Joint Venture pigment production operation as large volumes of oxygen or nitrogen cannot be sourced locally or transported economically over significant distances.

The Tiwest Joint Venture TiO_2 pigment production operation uses calcined petroleum coke in the pigment production process. The Tiwest Joint Venture purchases petroleum coke from the west coast of the United States. Calcined petroleum coke of suitable quality for the Tiwest Joint Venture s pigment production operation is produced by a number of different suppliers. The loss of any one supplier would be unlikely to have a significant adverse effect on the production or operating cost of the Tiwest Joint Venture pigment production operation.

The Tiwest Joint Venture

Prior to completion of the Transaction, a subsidiary of Tronox Incorporated held a 50.0% undivided interest in all of the assets that comprise the operations conducted in Australia under the Tiwest Joint Venture and is severally liable for the associated liabilities. The remaining undivided interest was held by a subsidiary of Exxaro. The Tiwest Joint Venture operates the Kwinana Facility, a chloride process TiO_2 plant, a mining venture in Cooljarloo, Western Australia, a mineral separation plant and a synthetic rutile processing facility, both in Chandala, Western Australia. Under separate marketing agreements, Tronox Incorporated holds the right to market all of the TiO_2 pigment produced by the Kwinana Facility, and Exxaro holds the right to market any titanium feedstock and other heavy minerals produced at Cooljarloo and Chandala, which is not used for the Tiwest Joint Venture s own consumption for the production of TiO_2 pigment at the Kwinana Facility. In connection with the Transaction, Tronox Limited will acquire Exxaro s entire interest in the Tiwest Joint Venture and operate the business as a wholly-owned business.

Heavy Minerals. For a description of mining operations related to the Tiwest Joint Venture, see Description of Exxaro Mineral Sands The Tiwest Joint Venture.

End-Use Markets and Applications

The major end-use markets for TiO_2 products, which Tronox Incorporated sells in the Americas, Europe and the Asia-Pacific region, are coatings, plastics and paper and specialty products. The tables below summarize Tronox Incorporated s 2011 sales volume by geography and end-use market:

2011 Sales Volume by Geography		2011 Sales Volume by End-Use Market	
North America	38.5%	Paints and Coatings	77.1%
Latin America	7.5%	Plastics	19.9%
Europe	22.5%	Paper and Specialty	3.0%
Asia-Pacific	31.5%		

Paints and Coatings End-Use Market. The paints and coatings end-use market is the largest end-use market for TiO_2 products and accounted for approximately 60% of overall industry demand, based on publicly reported industry sales volumes in 2010. Customers in the paints and coatings end-use market demand exceptionally high quality standards for TiO_2, especially with regard to opacity, durability, tinting strength and brightness. Tronox Incorporated recognizes four sub-markets within the paints and coatings end-use market based on application, each of which requires different TiO_2 formulations. The table below summarizes the sub-markets within paints and coatings, as well as their applications:

Sub-Market	Applications
Architectural	Residential and commercial paints
Industrial	Appliances, coil coatings, furniture and maintenance applications
Automotive	Original equipment manufacturer, refinish and electro-coating
Specialty	Marine and can coatings, packaging and traffic paint

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Plastics End-Use Market. The plastics end-use market accounts for approximately 25% of overall industry demand for TiO_2, based on reported industry sales volumes in 2010. Plastics producers focus on TiO_2 s opacity, durability, color stability and thermal stability. Tronox Incorporated recognizes four sub-markets within the plastics market based on application, each of which requires different TiO_2 formulations. The table below summarizes the sub-markets within plastics, as well as their applications:

Sub-Market	Applications
Polyolefins	Food packaging, plastic films and agricultural films
PVC	Vinyl windows, siding, fencing, vinyl leather, roofing
Engineering plastics	Computer housing, cell phone cases, washing machines and refrigerators
Other plastics	Roofing and flooring

Paper and Specialty End-Use Market. The paper and specialty end-use market accounts for approximately 15% of overall industry demand for TiO_2 based on publicly reported industry sales volumes in 2010. Tronox Incorporated recognizes four sub-markets within paper and specialty end-use market based on application, each of which requires different TiO_2 formulations. The table below summarizes the sub-markets within paper and specialty, as well as their applications:

Sub-Market	Applications
Paper and paper laminate	Filled paper, coated paper for print media, coated board for beverage container packaging, wallboard, flooring, cabinets and furniture
Inks and rubber	Packaging, beverage cans, container printing and rubber flooring
Food and pharmaceuticals	Creams, sauces, capsules, sunscreen, and face and body care products
Catalysts and electroceramics	Anti-pollution equipment (catalysts) for automobiles and power-generators and production of capacitors and resistors

Sales and Marketing

Tronox Incorporated supplies TiO_2 to a diverse customer base of more than 1,000 customers in approximately 90 countries, including market leaders in each of the major end-use markets for TiO_2. Tronox Incorporated has supplied each of its top ten customers with TiO_2 for more than 10 years. In 2011, Tronox Incorporated s ten largest customers represented approximately 36.5% of its total sales volume; however, no single customer accounted for more than 10% of its total sales volume.

In addition to price and product quality, Tronox Incorporated competes on the basis of technical support and customer service. Tronox Incorporated s direct sales and technical service organizations carry out its sales and marketing strategy and work together to provide quality customer service. Tronox Incorporated s direct sales staff is trained in all of its products and applications. Due to the technical requirements of TiO_2 applications, Tronox Incorporated s technical service organization and direct sales offices are supported by a regional customer service staff located in each of its major geographic markets.

Tronox Incorporated s sales and marketing strategy focuses on effective customer management through the development of strong relationships throughout the company with its customers. Tronox Incorporated develops customer relationships and manages customer contact through its sales team, technical service organization, research and development team, customer service team, plant operations personnel, supply chain specialists and senior management. We believe that multiple points of customer contact facilitate efficient problem-solving, supply chain support, formula optimization and product co-development.

Competitive Conditions

The global market in which Tronox Incorporated s TiO_2 business operates is competitive. Competition is based on a number of factors such as price, product quality and service. Tronox Incorporated faces competition

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from major international producers, including DuPont, Cristal, Kronos and Huntsman, as well as smaller regional competitors. Worldwide, we believe that Tronox Incorporated and the other major producers mentioned above, are the only companies that have perfected and successfully commercialized the proprietary chloride process technology for the production of TiO_2. TiO_2 produced using chloride process technology is preferred for some of the largest TiO_2 end-use applications; however, TiO_2 produced using sulfate process technology may also be used for many end-use applications and is preferred for certain specialty applications. We estimate that, based on gross sales volumes, these companies accounted for more than 60% of the global market share in 2010.

As of December 31, 2011, including the total production capacity of the Tiwest Joint Venture, Tronox Incorporated had global TiO_2 production capacity of 465,000 tonnes per year and an approximate 8% share of the global TiO_2 market based on capacity, according to TZMI. In addition to the major competitors discussed above, Tronox Incorporated competes with numerous smaller, regional producers, including producers in China that have expanded their sulfate production capacity during the previous five years

Tronox Incorporated has global operations with production facilities and sales and marketing presence in the Americas, Europe and the Asia-Pacific regions. Tronox Incorporated s global presence enables it to sell its products to a diverse portfolio of customers with whom Tronox Incorporated has well-established relationships.

Over the years, the industry has increased capacity through debottlenecking, brownfield projects (locations where the company has an existing infrastructure and is adding to it) and greenfield projects (locations where the company does not have an existing infrastructure). Tronox Incorporated and Exxaro recently completed a brownfield expansion of the Kwinana Facility. As a result of the projected limited availability of feedstocks, we do not foresee significant capacity increases in the near term future. DuPont is the only major producer to have announced plans to evaluate future brownfield expansion of a plant in North America and their continued pursuit of a greenfield in China.

TiO_2 Outlook

We consider TiO_2 to be a quality-of-life product, with demand affected by GDP and overall economic conditions in markets located in various regions of the world. Over the long-term, we believe global demand for TiO_2 will grow by approximately 3% to 4% per year. This is consistent with our expectations for the long-term growth in GDP. However, demand for TiO_2 in any interim or annual period may not change in the same proportion as the change in GDP. This is due in part to relative changes in the TiO_2 inventory levels of Tronox Incorporated s customers. We believe that our customers inventory levels are partly influenced by their expectation for future changes in TiO_2 selling prices.

Looking forward, we believe that the global market for TiO_2 will remain healthy primarily due to support from the ongoing growth in emerging economies such as China and India. We expect moderate growth in the overall demand for TiO_2 in 2012 versus 2011 and expect that our sales volume will reflect a similar trend. As a result of current supply demand imbalance, we believe that the industry will focus resources on increasing available capacity through debottlenecking projects in the near term. Debottlenecking projects will be influenced by the amount of titanium feedstock that is available in the market. We believe the industry is currently experiencing a shortfall in the supply of titanium bearing ore due to a lack of reinvestment in that business during the last several years. As a result of the projected limited availability of titanium bearing ore, we do not foresee significant capacity additions coming on line in the near term, which should continue to support a favorable pricing environment for the titanium industry and our business.

Electrolytic and Other Chemical Products

Background

The electrolytic and other chemical products businesses are primarily focused on three end-use markets: advanced battery materials, sodium chlorate for pulp and paper manufacture and specialty boron products serving the semi-conductor, pharmaceutical and igniter industries.

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Battery Materials. The battery industry is comprised of two application areas: primary (non-rechargeable) and secondary (rechargeable) with the former representing the majority of battery shipments. The primary battery market is dominated by alkaline battery technologies, which are designed to address the various power delivery requirements for consumer and industrial battery-powered devices. We believe that alkaline batteries are higher performing and more costly than batteries using the older zinc carbon technology, and represent the majority of primary battery market demand in the United States. Demand for domestic alkaline batteries in the United States is estimated to be slightly positive to flat driven by the continued growth of electronic devices partly offset by increased use of rechargeable and imported batteries.

EMD is the active cathode material for alkaline batteries. We believe that we are one of the largest producers of EMD for the global alkaline battery industry. EMD quality requirements for alkaline technology are much more demanding than for zinc carbon technology and, as a result, alkaline-grade EMD commands a higher price than zinc carbon-grade EMD. The older zinc carbon technology remains in developing countries such as China and India. As the economies of China and India continue to mature, and the need for more efficient energy sources develops, we anticipate that the demand for alkaline-grade EMD will increase. We expect demand for alkaline-grade EMD to be sustained by the continued growth of consumer electronics devices partly offset by the trend toward smaller battery sizes, rechargeable batteries, and imported batteries.

The market application for rechargeable lithium batteries includes consumer electronics such as cell phones, computers, digital cameras, and increasingly for high-power applications that include power tools, hybrid electric vehicles (HEVs / EVs), and interruptible power supplies. There are several competing cathode materials for this fast growing lithium battery segment, with lithium manganese oxide LMO) being one of the leading technologies as utilized in the several electric vehicles.

The main raw material that we use to produce battery materials is manganese ore, which is historically purchased under both multi-year agreements and spot contracts.

Sodium Chlorate. The pulp and paper industry accounts for more than 95% of the market demand for sodium chlorate, which uses it to bleach pulp. Although there are other methods for bleaching pulp, we believe the chlorine dioxide process is preferred for environmental reasons. The majority of North American sodium chlorate production capacity is located in Canada due to the availability of lower cost hydroelectric power, which reduces manufacturing costs and ultimately, product prices. However, we believe that the proximity of domestic sodium chlorate producers to the major domestic pulp and paper producers helps offset the lower-cost power advantage enjoyed by some Canadian sodium chlorate producers, through lower transportation costs.

The primary raw material that Tronox Incorporated uses to produce sodium chlorate is salt, which it purchases under multi-year agreements and spot contracts.

Boron. According to publicly reported industry reports, Tronox Incorporated is one of the leading suppliers of boron trichloride, along with Aviabor, Sigma Aldrich, and several Asian manufacturers. We anticipate demand for boron trichloride will remain positive driven primarily by the growth of the semiconductor industry. We believe Tronox Incorporated owns a similar leading position in the elemental boron market. We expect demand for elemental boron will continue to be largely flat following the trends in the defense and automotive industries in the United States.

Manganese Specialty Products. Tronox Incorporated also produces several manganese-based specialty products for the primary lithium battery market used in defense, industrial, and medical applications, and has the capability to produce battery materials for the rechargeable lithium ion battery market. We anticipate that demand for Tronox Incorporated s manganese-based specialty materials will develop in-line with general industrial production.

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Facilities

Tronox Incorporated produces electrolytic and other chemical products at three United States facilities, each of which it owns. The following table summarizes Tronox Incorporated s production capacity (in gross tonnes per year) as of December 31, 2011, by location and product.

Facility	Capacity	Product
Hamilton, Mississippi	150,000	Sodium chlorate
Henderson, Nevada	27,000	EMD
Henderson, Nevada	525	Boron products

End-Use Markets and Applications

The various markets for the electrolytic and other chemical products are as follows:

Business Application	Sub-Market	Applications
Battery Materials: EMD	Non-rechargeable battery materials	Alkaline batteries for use in flashlights, electronic games, medical and industrial devices
Battery Materials: LMO	Rechargeable battery materials	Lithium batteries used in power tools, HEVs/EVs, laptops and power supplies
Sodium Chlorate	Pulp and paper industry	Pulp bleaching
Boron Trichloride	Specialty gas	Semiconductors, pharmaceuticals, high-performance fibers, specialty ceramics and epoxies
Boron Elemental	Defense, pyrotechnic and air bag industries	Igniter formulations

Competitive Conditions and Outlook

Battery Materials. The United States primary battery market is the largest in the world, accounting for over one-third of global demand for EMD, and is based on alkaline grade EMD. According to TZMI, Tronox Incorporated is the largest supplier of EMD to the U.S. market. Other significant producers include Tosoh, Erachem and Delta. The remainder of global capacity is represented by various Chinese producers. The global EMD market is challenged by excess supply that has resulted in successful antidumping determinations in Europe, Japan and the United States that has contributed to improved economics for the industry.

For rechargeable batteries, LMO remains one of the leading cathode materials for Electric Vehicles, power tools and other high-power applications. We project the demand for LMO to significantly increase driven by Electric Vehicles that is expected to be supplied by Nippon Denko, Mitsui, Toda, and other leading Asian LMO materials producers.

Sodium Chlorate. According to TZMI, Tronox Incorporated accounts for an estimated 7.0% share of North American sodium chlorate capacity, and we believe it has the third largest plant in North America. Our significant competitors include ERCO, Eka Chemicals, Canexus and Kemira Chemicals. We expect the North American market will remain balanced as the continued rationalization of smaller, less efficient chlorate producers will continue to offset flat to declining demand in pulp and paper manufacturing.

Boron Products. We believe that Tronox Incorporated has a substantial share of the installed global capacity for boron trichloride followed by Aviabor, Sigma Aldrich, and several Asian manufacturers. We anticipate the market for boron trichloride will remain positive underpinned by the semiconductor market with new liquid

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crystal display and 3D TV plants coming online in Asia combined with continued growth of new pharmaceutical drug deliveries. We believe Tronox Incorporated owns a similar leading capacity share in elemental boron. We expect demand will continue to follow the trends in the United States automotive and defense industries.

Research and Development

Tronox Incorporated employs scientists, chemists, engineers and skilled technicians to provide the technology (products and processes) for its businesses. Tronox Incorporated s product development personnel have a high level of expertise in the plastics industry and polymer additives, the coatings industry and formulations, surface chemistry, material science, analytical chemistry and particle physics. Among the process technology development group s highly developed skills are computational fluid dynamics, process modeling, particle growth physics, extractive metallurgy, corrosion engineering and thermodynamics. The majority of scientists supporting Tronox Incorporated s research and development efforts are located in Oklahoma City, Oklahoma. Tronox Incorporated s expenditures for research and development were approximately $8.7 million, $0.4 million, $6.1 million and $5.0 million for the eleven months ended December 31, 2011, one month ended January 31, 2011 and years ended December 31, 2010 and 2009, respectively.

New process developments are focused on increased through-put, control of particle physical properties and general processing equipment-related issues. Ongoing development of process technology contributes to cost reduction, enhanced production flexibility, increased capacity and improved consistency of product quality.

In 2010, Tronox Incorporated completed development of incremental improvements to two existing coatings grades of TiO_2. Additionally, progress towards next generation coatings grades was significantly advanced. Further work to optimize organic treatments on TiO_2 grades for plastic applications was carried out. Several plant trials involving process technology modifications have successfully demonstrated increased throughput of product from existing assets.

In 2010, Tronox Incorporated continued development of several new electrolytic and specialty products with the major focus on advanced battery materials. This includes new LMO and lithium manganese grades specially engineered for HEV applications and for advanced rechargeable battery systems.

In 2012, development and commercialization efforts of Tronox Incorporated will be focused on several TiO_2 products that deliver added value to customers by way of enhanced properties of the pigment.

Patents and Other Intellectual Property

Patents held for Tronox Incorporated s products and production processes are important to its long-term success. Tronox Incorporated seeks patent protection for its technology where competitive advantage may be obtained by patenting, and files for broad geographic protection given the global nature of its business. Tronox Incorporated s proprietary TiO_2 technology is the subject of over 200 patents worldwide, the substantial majority of which relate to its chloride products and production technology.

At December 31, 2011, Tronox Incorporated held approximately 216 patents, of which approximately 135 were considered significant to our business. Tronox Incorporated defines significant to its business as patents that are either (1) presently employed in its process or to produce products to its advantage, (2) may not be presently employed by Tronox Incorporated but are defensive to prevent competitors from using the technology to their advantage or (3) patents that are likely to be utilized by Tronox Incorporated in future process or product advancements. Tronox Incorporated s significant patents have expiration dates ranging from 2013 through 2032.

Tronox Incorporated also relies upon and has taken steps to secure its unpatented proprietary technology, know-how and other trade secrets. Tronox Incorporated s proprietary chloride production technology is an important part of its overall technology position. Tronox Incorporated is committed to pursuing technological innovations in order to maintain its competitive position.

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Employees

As of December 31, 2011, Tronox Incorporated had 925 employees, with 650 in the United States, 247 in Europe, 21 in Australia and 7 in other international locations. None of Tronox Incorporated s employees in the United States are represented by collective bargaining agreements, and substantially all of its employees in Europe are represented by works councils. We consider relations with Tronox Incorporated s employees to be good. In addition, as of December 31, 2011, the Tiwest Joint Venture had 657 employees, all of whom were located in Australia. Approximately 48% of those employees are represented by collective bargaining agreements. We consider relations with the employees of the Tiwest Joint Venture to be good.

Seasonality

Because TiO_2 is widely used in paint and other coatings, TiO_2 is in higher demand prior to the painting season (spring and summer in the Northern Hemisphere).

Government Regulations and Environmental Matters

General

Tronox Incorporated is subject to extensive regulation by federal, state, local and foreign governments. Governmental authorities regulate the generation and treatment of waste and air emissions at Tronox Incorporated s operations and facilities. At many of our operations, we also comply with worldwide, voluntary standards developed by the International Organization for Standardization (ISO) a nongovernmental organization that promotes the development of standards and serves as a bridging organization for quality and environmental standards, such as ISO 9002 for quality management and ISO 14001 for environmental management.

Chemical Registration

The European Union adopted a new regulatory framework for chemicals in 2006 known as Registration, Evaluation and Authorization of Chemicals (REACH). Manufacturers and importers of chemical substances must register information regarding the properties of their existing chemical substances with the European Chemicals Agency (ECHA). The timeline for existing chemical substances to be registered is based on volume and toxicity. The first group of chemical substances was required to be registered in 2010 and the remainder is due to be registered in 2013 and 2018. Tronox Incorporated has registered those products requiring registration by the 2010 deadline. The REACH regulations also require chemical substances which are newly imported or manufactured in the European Union to be registered before being placed on the market. These substances are referred to as non-phase-in substances. Tronox Incorporated is currently working on registration for the non-phase-in substances. Products containing greater than 0.1% of substances determined to be very high concern will be placed on a candidate list for authorization. If safer alternatives for any of these chemical substances on the candidate list exist, then those chemical substances may not be authorized. Tronox Incorporated currently does not have any products that would be placed on the candidate list. We do not expect REACH costs of compliance to be material to our operations at this time.

The United States has chemical regulation under the Environmental Protection Agency (the EPA) through the Toxic Substances Control Act (TSCA). TSCA requires various reporting mechanisms for new and existing chemicals. The EPA announced in 2009 a comprehensive approach to improve the chemicals management program under TSCA. This may result in additional data requirements, testing, restrictions or bans on a chemical substance depending on the risk a chemical may pose. We do not anticipate any costs or actions material to its operation at this time due to these actions. Tronox Incorporated is currently monitoring proposed legislation regarding TSCA and assessing any potential impacts.

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Greenhouse Gas (GHG) Regulation

Tronox Incorporated currently reports and manages GHG emissions as required by law for sites located in areas (European Union/Australia) requiring such managing and reporting. While the United States has not adopted any federal climate change legislation, the EPA has introduced some GHG programs. For example, under the EPA s GHG Tailoring Rule, expansions or new construction could be subject to the Clean Air Act s Prevention of Significant Deterioration (PSD) requirements. Some of Tronox Incorporated s facilities are currently subject to GHG emissions monitoring and reporting. Changes or additional requirements due to GHG regulations could impact Tronox Incorporated s capital and operating costs. However, it is not possible at the present time to estimate any financial impacts to these U.S. operating sites. Also, some in the scientific community believe that increasing concentrations of GHG s in the atmosphere may result in climatic changes. Depending on the severity of climatic changes, our operations could be adversely affected. The Tiwest Joint Venture will be subject to a new Australian carbon tax law beginning in 2012, resulting in an estimated $10.0 million Australian dollar impact annually.

Environmental Matters

A variety of laws and regulations relating to environmental protection affect almost all of Tronox Incorporated s operations. Under these laws, Tronox Incorporated is or may be required to obtain or maintain permits or licenses in connection with its operations. In addition, these laws may require Tronox Incorporated to remove or mitigate the effects on the environment of the disposal or release of chemical, petroleum, low-level radioactive and other substances at its facilities. Operation of pollution-control equipment usually entails additional expense. Some expenditures to reduce the occurrence of releases into the environment may result in increased efficiency; however, most of these expenditures produce no significant increase in production capacity, efficiency or revenue.

Tronox Incorporated is in substantial compliance with applicable environmental rules and regulations. Currently, Tronox Incorporated does not have any outstanding notices of violation or orders from regulatory agencies.

The table below presents environmental related expenditures Tronox Incorporated incurred for the eleven months ended December 31, 2011, and one month ended January 31, 2011, and projections of expenditures for the next two years. While it is difficult to estimate the total direct and indirect costs of government environmental regulations, the table below includes our current estimate of Tronox Incorporated s expenditures for 2012 and 2013.

	Year Ending December 31,		
	2011	Estimate 2012	Estimate 2013
	(Millions of dollars)		
Cash expenditures of environmental reserves	$ 0.2	$ 0.1	$ 0.1
Recurring operating expenses	30.0	32.1	33.0
Environmental capital expenditures associated with ongoing operations	3.6	6.5	7.1

Recurring operating expenses are expenditures related to the maintenance and operation of environmental equipment such as incinerators, waste treatment systems and pollution control equipment, as well as the cost of materials, energy and outside services needed to neutralize, process, handle and dispose of current waste streams at Tronox Incorporated s operating facilities. These operating and capital expenditures are necessary to ensure that ongoing operations are handled in an environmentally safe and effective manner.

From time to time, Tronox Incorporated may be party to a number of legal and administrative proceedings involving environmental matters or other matters in various courts or agencies. These could include proceedings associated with businesses and facilities operated or used by Tronox Incorporated s affiliates and may include claims for personal injuries, property damages, breach of contract, injury to the environment, including natural

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resource damages, and non-compliance with, or lack of properly updated or renewed, permits. Tronox Incorporated s current operations also involve management of regulated materials and are subject to various environmental laws and regulations.

In accordance with ASC 450, *Contingencies*, and ASC 410, *Asset Retirement and Environmental Obligations*, Tronox Incorporated recognizes a loss and records an undiscounted liability when litigation has commenced or a claim or an assessment has been asserted, or, based on available information, commencement of litigation or assertion of a claim or assessment is probable, and the associated costs can be estimated. It is not possible for Tronox Incorporated to reliably estimate the amount and timing of all future expenditures related to environmental matters because, among other reasons:

- Environmental laws and regulations, as well as enforcement policies and clean up levels, are continually changing, and the outcome of court proceedings, alternative dispute resolution proceedings (including mediation) and discussions with regulatory agencies are inherently uncertain.

We believe that Tronox Incorporated has reserved adequately for the probable and reasonably estimable costs of known contingencies. There is no environmental litigation, claim or assessment that has been asserted nor is there any probability of an assessment or a claim for which the Company has not recorded a liability. However, additions to the reserves may be required as additional information is obtained that enables us to better estimate our liabilities. We cannot reliably estimate the amount of future additions to the reserves at this time. In certain situations, reserves may be probable but may not be estimable. Additionally, sites may be identified in the future where we could have potential liability for environmental related matters. We would not establish reserves for any such sites. For additional discussion of environmental matters, see Tronox Incorporated Management s Discussion and Analysis of Financial Condition and Results of Operations.

Properties

Tronox Incorporated s properties consist of the physical assets necessary and appropriate to produce, distribute and supply its TiO_2 electrolytic manganese dioxide, sodium chlorate, boron-based and other specialty chemicals and consist mainly of manufacturing and distribution facilities and mining tenements. We believe Tronox Incorporated s properties are in good operating condition and are well maintained. Pursuant to separate financing agreements, substantially all of Tronox Incorporated s U.S. properties are pledged or encumbered to support or otherwise provide the security for our indebtedness, as further discussed under Tronox Incorporated Management s Discussion and Analysis of Financial Condition and Results of Operations.

Legal Proceedings

Chapter 11 Proceedings

On the Petition Date, the Debtors, including Tronox Incorporated, filed voluntary petitions in the Bankruptcy Court seeking reorganization relief under Bankruptcy Code. The Debtors Chapter 11 cases were consolidated for procedural purposes and were jointly administered under the caption *In re Tronox Incorporated*, et al., Case No. 09-10156 (ALG) (the Chapter 11 Cases), and the Debtors operated their businesses and managed their properties as debtors in possession under the jurisdiction of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code and orders of the Bankruptcy Court.

Subsequent to its Chapter 11 filing, Tronox Incorporated recorded its financial position and results of operations in accordance with ASC 852, Reorganizations. The financial statements for periods in which Tronox Incorporated was operating under Chapter 11 distinguished transactions and events directly associated with the reorganization from the ongoing operations of the business. Tronox Incorporated recorded reorganization items separately within the operating, investing, and financing categories of the statement of cash flows and disclosed prepetition liabilities subject to compromise separately from those not subject to compromise (such as fully secured liabilities that were expected not to be compromised) and post-petition liabilities on its balance sheet.

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On the Confirmation Date, the Bankruptcy Court entered the Confirmation Order confirming the Plan. Material conditions to the Plan, most notably the approval under U.S. federal and applicable state environmental law of the settlement of the Legacy Environmental Liabilities, were resolved during the period from the Confirmation Order through the Effective Date, on which date the Debtors completed their reorganization under the Bankruptcy Code and the Plan became effective. The distribution of securities under the Plan commenced on the Effective Date.

Having resolved the material contingencies related to implementing the Plan, most notably the approval of the settlement of the KM Legacy Liabilities on January 26, 2011 and due to the proximity to Tronox Incorporated s subsequent accounting period, which closed on January 31, 2011, Tronox Incorporated began applying fresh-start accounting and reporting effective as of January 31,2011. Fresh-start accounting and reporting provisions were applied pursuant to ASC 852 and the financial statements as of February 1, 2011 and for subsequent periods report the results of Tronox Incorporated with no beginning retained earnings or accumulated deficit. Any presentation of Tronox Incorporated after February 1, 2011 represents the financial position and results of operations of the new reporting entity and is not comparable to prior periods presented.

Reorganization Plan

Tronox Incorporated reorganized under Chapter 11 of the Bankruptcy Code, which is the principal business reorganization chapter of the Bankruptcy Code. Under Chapter 11 of the Bankruptcy Code, a debtor may reorganize its business for the benefit of its stakeholders. Completion of a plan of reorganization is the principal objective of a Chapter 11 case. Among other things, the Confirmation Order discharges Tronox Incorporated from any debt arising before the Petition Date, eliminates all of the rights and interests of pre-bankruptcy equity security holders and substitutes the obligations set forth in the Plan for those pre-bankruptcy claims and equity interests.

The reorganization plan was designed to resolve Tronox Incorporated s KM Legacy Liabilities and ensure that Tronox Incorporated emerged from Chapter 11 free of its significant legacy liabilities, sufficiently capitalized and poised for growth. With respect to environmental claims, in exchange for an overall package of value allocated on the Effective Date to certain environmental response trusts and environmental agencies, the holders of environmental claims provided Tronox Incorporated with a release and/or discharge from Legacy Environmental Liabilities from and after the Effective Date. The bankruptcy environmental settlement included covenants protecting Tronox Incorporated from enforcement action by key U.S. governmental agencies and several state and local agencies for owned and many non-owned legacy sites specifically identified by the environmental settlement agreement. With respect to tort claims, in exchange for an overall package of value allocated on the Effective Date to a tort claims trust, the holders of tort claims provided Tronox Incorporated with a release and discharge from legacy tort liability from and after the Effective Date.

As a result of the discharge and/or release of legacy liabilities via the environmental and tort settlements, the Plan preserved the going-concern value of Tronox Incorporated, which was reorganized around its existing operating locations, including: (i) its headquarters facility at Oklahoma City, Oklahoma; (ii) the TiO_2 facilities at Hamilton, Mississippi and Botlek, Netherlands; (iii) the electrolytic chemical operations at Henderson, Nevada (except that the real property and buildings associated with such business were transferred to an environmental response trust, and Tronox Incorporated is not responsible for environmental remediation related to historic contamination at such site), and Hamilton, Mississippi; and (iv) its interest in the Tiwest Joint Venture in Australia.

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To fund cash payments required by the Plan and meet the going-forward operating and working capital needs of the business, Tronox Incorporated relied on a combination of debt financing and new equity investments from certain of its pre-Effective Date creditors. Specifically, Tronox Incorporated completed the following reorganization transactions:

- The settlement of government claims related to Tronox Incorporated s pre-bankruptcy Legacy Environmental Liabilities at legacy sites (both owned and non-owned) through the creation of certain environmental response trusts and a litigation trust;
- The settlement of private party pre-bankruptcy claims related to Tronox Incorporated s tort liabilities related to legacy sites (both owned and non-owned) through the creation of a tort claims trust and a litigation trust;
- Total funded first lien debt of approximately $470 million at the time of emergence from bankruptcy;
- $185.0 million in new equity investment in Tronox Incorporated raised through a rights offering to certain of Tronox Incorporated s unsecured creditors for an aggregate of 49.1% of the shares of Tronox Incorporated common stock issued on the Effective Date;
- The issuance of shares of Tronox Incorporated common stock such that holders of certain allowed unsecured claims received their pro rata share of 50.9% of the shares of Tronox Incorporated Incorporated common stock issued on the Effective Date; and
- The issuance of a package of warrants to existing holders of equity, consisting of two tranches, to purchase their pro rata share of a combined total of 7.5% of the shares of Tronox Incorporated common stock issued on the Effective Date, together with all shares of Tronox Incorporated common stock issuable upon exercise of such warrants.

Germany Insolvency Petition

On March 13, 2009, Tronox Pigments GmbH, Tronox Incorporated s holding subsidiary for a pigment facility in Uerdingen, Germany, filed an application with the insolvency court in Krefeld, Germany, to commence insolvency proceedings. The German Insolvency Court appointed a trustee to administer the insolvency proceedings, which resulted in Tronox Incorporated losing management control over these subsidiaries. As a result, the German subsidiaries were deconsolidated from Tronox Incorporated s consolidated financial statements as of March 13, 2009. Management determined that the operations and cash flows of its insolvent German subsidiaries qualified as a discontinued operation. Accordingly, all amounts associated with these operations have been included in discontinued operations in Tronox Incorporated s consolidated financial statements.

Hamilton Plant

The EPA and the Mississippi Department of Environmental Quality (MDEQ) conducted a Resource Conservation and Recovery Act Compliance Evaluation Inspection (RCRA CEI) at the Hamilton facility during April 2006. In November 2006, the EPA transmitted to the facility a copy of its RCRA CEI Report and Sampling Report, which identified a number of alleged violations of the Mississippi Hazardous Waste Management Regulations. In March 2007, the facility provided a written response to EPA concerning the alleged violations. In November 2007, the U.S. Department of Justice (the DOJ) informed Tronox Incorporated that the EPA, Region 4, had referred the alleged violations to the DOJ for civil enforcement. The DOJ filed a proof of claim on behalf of EPA in the bankruptcy seeking civil penalties for the alleged RCRA violations. The claim was settled as a part of the Environmental Settlement and pursuant to the Plan, Tronox Incorporated has no ongoing liabilities for this location regarding that claim from and after the Effective Date.

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Anadarko Litigation

In May 2009, Tronox Incorporated and certain of its affiliates filed a lawsuit against Anadarko Petroleum and Kerr-McGee (a predecessor to Anadarko) asserting a number of claims, including claims for actual and constructive fraudulent conveyance (the Anadarko Claim). In connection with the Chapter 11 proceedings of Tronox Incorporated, Tronox Incorporated assigned all of the Anadarko Claim to a litigation trust on behalf of the holders of environmental claims and tort claims against Tronox Incorporated, pursuant to a full satisfaction of such claims. Tronox Incorporated has no economic interest in the litigation trust. However, pursuant to the terms of the litigation trust, Tronox Incorporated could continue to be treated as the owner of the Anadarko Claim solely for purposes of federal and state income taxes. Depending on the outcome of the Anadarko Claim, it is possible that Tronox Incorporated will receive the benefit of certain tax deductions that would result if the Anadarko Claim is resolved successfully and the proceeds of such Claim are used as contemplated under the terms of the litigation trust.

Description of Exxaro Mineral Sands

Overview

Exxaro

Exxaro is a South African company listed on the Johannesburg Stock Exchange (the JSE Limited) and is the parent of a diverse mining and resources group headquartered in the Republic of South Africa. Exxaro was created as a result of a BEE transaction that involved the unbundling of Kumba Resources Limited s iron ore assets and the relisting on the JSE Limited of Kumba Resources as Exxaro in November 2006. The two companies formed by the transaction were Exxaro, which focuses on the coal, mineral sands, base metals and industrial minerals industries, and Kumba Iron Ore, which focuses on the iron ore industry. Kumba Resources was itself formerly unbundled in 2001 from its parent, Iscor Limited (which became Mittal Steel South Africa in 2005 and is now known as ArcelorMittal). Iscor was a government-owned corporation until 1989, when it was privatized. It was a major integrated South African steel producer for more than 70 years, providing a secure supply of iron ore and other raw materials for its steel mills. At the time of the Iscor unbundling, the mines Iscor had developed for coal, zinc, mineral sands and certain industrial minerals used in steel production, together with its two iron ore mines and mineral sands interests, became part of Kumba Resources.

Since its creation, Exxaro has built a portfolio of mining and resources operations in South Africa, Australia, China and Namibia. In 2011, Exxaro generated worldwide revenue of R21,305 million ($2,935 million) and had a net operating profit of R4,381 million ($603 million). Exxaro s commodity portfolio includes mineral sands, coal, base metals assets and an indirect interest in iron ore.

Exxaro Mineral Sands

Exxaro Mineral Sands s operations comprise KZN Sands and Namakwa Sands, both located in South Africa, and Australia Sands in Australia, which primarily consists of an undivided interest in the Tiwest Joint Venture. The KZN Sands operations involve the exploration, mining and beneficiation of mineral sands deposits in the KwaZulu-Natal province of South Africa, and the Namakwa Sands operations involve the exploration, mining and beneficiation of mineral sands deposits in the Western Cape province of South Africa. These operations produce titanium feedstock, including ilmenite, chloride slag, slag fines and rutile, as well as the co-products pig iron and zircon. Australia Sands s principal asset is its 50.0% interest in the Tiwest Joint Venture, which conducts the exploration, mining and processing of mineral sands deposits and the production of titanium dioxide pigment in Australia. In 2011, Exxaro Mineral Sands produced 277,000 metric tons of titanium slag, 195,000 tonnes of zircon, 110,000 tonnes of synthetic rutile and 76,000 tonnes of titanium dioxide pigment, resulting in combined revenue of R6,586 million ($907 million), which accounted for 31% of Exxaro s total worldwide revenue.

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KZN Sands

KZN Sands is involved in the exploration, mining and beneficiation of mineral sands deposits in the KwaZulu-Natal province of South Africa, as indicated in the map above, which can be accessed by public roads or roads for which KZN Sands has a right of way and over which Exxaro Sands and Exxaro TSA Sands have surface rights. KZN Sands operates facilities at two sites: mining operations at Hillendale and mineral processing plants wholly owned by Exxaro Sands and a smelter (wholly owned by Exxaro TSA Sands) at the central processing complex at Empangeni. KZN Sands s products include rutile, titanium slag (chloride slag and sulfate slag) and the co-products zircon, pig iron and scrap iron.

Hillendale Mine

KZN Sands operates an open mine at Hillendale, located 20 kilometers southwest of Richards Bay in the KwaZulu-Natal province of South Africa, as shown on the map above. Hillendale employs hydraulic mining techniques to extract ilmenite, rutile and the co-product zircon. Hillendale has an on-site concentration plant with the operating capacity to produce 931,000 tonnes per year of heavy mineral concentrate for further processing. The mine has been in operation since 2001 and is expected to end production and be decommissioned at the end of 2012. When Hillendale is decommissioned, there will be a period during which KZN Sands intends to source an alternate supply of ilmenite from Namakwa Sands and other third party suppliers before the Fairbreeze mine commences operations, as further described under Properties and Reserves Properties Hillendale Mining Operations Description of Property and Exxaro Mineral Sands Management s Discussion and Analysis of Financial Condition and Results of Operations Recent Developments Fairbreeze Mining Project. Namakwa Sands is currently increasing its ilmenite supply capacity in order to meet the anticipated demand from KZN Sands.

Empangeni

KZN Sands operates a central processing complex at Empangeni, located 20 kilometers west of Richards Bay. The Empangeni complex processes heavy mineral concentrate produced at the Hillendale mining operations, including by smelting ilmenite to produce titanium slag. Empangeni employs a mineral separation plant and a dual-furnace smelter to produce titanium feedstock, including ilmenite, chloride slag, slag fines, rutile and leucoxene, as well as the co-products pig iron and zircon.

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Fairbreeze

In February 2011, Exxaro approved the development of a new mine at Fairbreeze, located 40 kilometers south of Richards Bay, subject to receiving the necessary regulatory and environmental approvals. Exxaro expects the mining of mineral sands and the production of titanium feedstock at Fairbreeze to begin in 2014, replacing Hillendale as the main source of raw material for KZN Sands s operations. Fairbreeze is expected to employ the same hydraulic mining techniques used at Hillendale, and Exxaro Mineral Sands plans to relocate the mining infrastructure and concentration plant from Hillendale to Fairbreeze. The anticipated life expectancy of the Fairbreeze mine is approximately 15 years.

Namakwa Sands

Namakwa Sands is involved in the mining and beneficiation of heavy minerals in the Western Cape province of South Africa, as indicated on the map above, which can be accessed by public roads or roads for which Namakwa Sands has a right of way. Namakwa Sands conducts operations at three separate sites over 20,477 hectares of land over which Exxaro TSA Sands wholly owns all of the surface rights: mining and concentration at Brand se Baai, located approximately 350 kilometers north of Cape Town, mineral separation at Koekenaap, located 60 kilometers from Brand se Baai and 320 kilometers north of Cape Town, and smelting near Saldanha Bay, located 150 kilometers from Cape Town. Together, Koekenaap and Saldanha produce titanium feedstock including ilmenite, chloride slag, slag fines and rutile, as well as the co-products pig iron and zircon.

The Brand se Baai operations employ dry mining techniques, excavating in two separate areas. Shallow sands mining takes place in the East Mine and deeper more compacted sand in the West Mine. The mine at Brand se Baai has been in operation since 1994 and is expected to end production and be decommissioned in 2032. Brand se Baai has three on-site concentration plants that produce heavy mineral concentrate for further processing. Concentrate produced at Brand se Baai is transported by truck to the mineral separation plant at Koekenaap. Ilmenite, zircon and rutile are recovered from the concentrate at the mineral separation plant, and are then transported by rail to the smelter operations near Saldanha Bay, where ilmenite is smelted to produce titanium slag and pig iron. Namakwa Sands currently is upgrading its ilmenite supply capacity to allow it to supply titanium feedstock to KZN Sands when the Hillendale mine is decommissioned.

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Australia Sands

Australia Sands s principal asset is its 50.0% interest in the Tiwest Joint Venture, which conducts the mining and processing of mineral sands and the production of TiO_2 pigment in Australia. The remaining 50.0% interest in the Tiwest Joint Venture is held by Tronox Incorporated, as further discussed under The Businesses Description of Tronox Incorporated The Tiwest Joint Venture. The TiO_2 pigment production operations are discussed separately under The Businesses Description of Tronox Incorporated Manufacturing Processes and are not discussed in detail here despite their significance to Australia Sands s operations and revenue.

The Tiwest Joint Venture

As discussed under The Businesses Description of Tronox Incorporated The Tiwest Joint Venture, prior to completion of the Transaction, a subsidiary of Tronox Incorporated held a 50.0% undivided interest in all of the assets that comprise the operations conducted in Australia under the Tiwest Joint Venture and is severally liable for the associated liabilities. The remaining undivided interest was held by a subsidiary of Exxaro. The Tiwest Joint Venture operates the Kwinana Facility, a mining venture in Cooljarloo, Western Australia, a mineral separation plant and a synthetic rutile processing facility, both in Chandala, Western Australia. Under separate marketing agreements, Tronox Incorporated holds the right to market all of the TiO_2 pigment produced by the Kwinana Facility, and Exxaro holds the right to market any TiO_2 feedstock and other heavy minerals produced at Cooljarloo and Chandala, which is not used for the Tiwest Joint Venture s own consumption for the production of TiO_2 pigment at the Kwinana Facility. In connection with the Transaction, Tronox Limited will acquire Exxaro s entire interest in the Tiwest Joint Venture and operate the business as a wholly-owned subsidiary, assuming the exchange of all the Exchangeable Shares.

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The Tiwest Joint Venture is an integrated mineral sands and TiO_2 pigment producer. The Tiwest Joint Venture s products include ilmenite, rutile, synthetic rutile, leucoxene, zircon, activated carbon and staurolite, as well as TiO_2 pigment.

The Tiwest Joint Venture operates from six locations in Western Australia, including the Cooljarloo mine near Cataby, the Chandala mineral separation and synthetic rutile plants near Muchea and the Kwinana pigment facility near Perth, as indicated on the map above, all of which can be accessed by public roads or roads for which Australia Sands has a right of way.

The Cooljarloo mine, located 170 kilometers north of Perth in Western Australia, employs both dredging and dry mining techniques to extract approximately 20 million tonnes of ore per year, producing approximately 700,000 tonnes per year of heavy mineral concentrate for further processing.

The Chandala processing complex, located 60 kilometers north of Perth in Western Australia, includes three major plants: a dry mill to separate the minerals, a synthetic rutile plant to process ilmenite into synthetic rutile, and a residue management plant. Chandala produces TiO_2 feedstock and other heavy minerals including ilmenite, rutile, synthetic rutile, leucoxene, zircon, activated carbon and staurolite. The Chandala synthetic rutile plant s current annual capacity is 225,000 tonnes.

The Kwinana TiO_2 pigment manufacturing facility is located 30 kilometers south of Perth in Western Australia. At the Kwinana Facility, synthetic rutile is reacted with petroleum coke and chlorine to produce $TiCl_4$, which is subsequently processed into TiO_2 pigment for distribution. Kwinana has an annual production capacity of approximately 150,000 tonnes, and has been in operation since 1991.

Exxaro Mineral Sands Products and Raw Materials

Mineral sands refers to concentrations of heavy minerals in an alluvial environment (sandy or sedimentary deposits near a river or other water source), and the mineral sands industry encompasses producers of titanium raw materials based on the mining and processing of rutile from primary hard rock deposits and the mining and processing of ilmenite and mineral sands. Exxaro Mineral Sands engages in mineral sands mining, and titanium feedstock production, in the form of titanium slag (chloride slag and sulfate slag), rutile and synthetic rutile. Secondary products include zircon and high purity pig iron.

Titanium Feedstock

Titanium occurs naturally in a number of minerals. The titanium minerals with the greatest commercial importance are ilmenite, rutile and leucoxene.

Titanium minerals (ilmenite, rutile and leucoxene), titanium slag (chloride slag and sulfate slag), upgraded slag and synthetic rutile are all used primarily as feedstock for the production of TiO_2 pigment. TiO_2 pigment is used predominantly in the production of high-quality surface finishes to impart opacity, brightness and whiteness, and is widely used in paints, plastics, paper, inks and rubber as well as in various specialty applications. According to TZMI data, in 2010, approximately 90% of the world s consumption of titanium feedstock was used for the production of TiO_2 pigment, with the remainder being used for the production of titanium sponge for titanium metal manufacturing and other uses, such as the production of fluxes for welding rods and as a metallurgical flux in iron and steel making. Titanium metal, manufactured from titanium sponge (formed from processed feedstock) is used for products such as aircraft frames, jet engines, structural components of transport equipment, sporting goods, and in highly corrosive environments in chemical process and desalination plants. Titanium minerals are used as a component of fluxes for coating welding electrodes. The preferred feedstock for such applications is rutile, although high-grade leucoxene is also widely used.

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The chart below shows the total titanium feedstock demand by final application during 2010.

Source: TZMI Mineral Sands Annual Review (June 2011).

Titanium Minerals

Ilmenite

Ilmenite is the most abundant titanium mineral in the world. Naturally occurring ilmenite may have a titanium content ranging from approximately 35% to 65%, depending on its geological history; weathering of ilmenite in its natural environment may cause a portion of the iron to be leached from the mineral grain, resulting in enriched titanium content.

Rutile

Rutile is essentially composed of crystalline titanium and, in its pure state, would contain close to 100% titanium. Naturally occurring rutile, however, contains minor impurities and commercial concentrates of the mineral typically contain approximately 94% to 96% titanium.

Leucoxene

Leucoxene is a natural alteration product of ilmenite with a titanium content ranging from approximately 70% to more than 90%. The weathering process responsible for the alteration of ilmenite to leucoxene results in the removal of iron, leading to an upgrade in titanium content. Circulating groundwater can also redeposit impurity elements within and around the weathered ilmenite grain. Leucoxene minerals can also be formed by the natural weathering of sphene (calcium titanite), in which case calcium and silica are removed from the grain, leaving residual levels of silica.

Upgraded Titanium Products

The naturally occurring high-grade titanium minerals required for the production of TiO_2 pigment are limited in supply. This limited supply has prompted the mineral sands industry to develop beneficiated products that can be used as substitutes for, or in conjunction with, naturally occurring titanium minerals. Two processes have been developed commercially: one for the production of titanium slag and the other for the production of synthetic rutile. Both processes use ilmenite as a raw material and are essentially processes for the removal of iron oxides.

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Titanium Slag

The production of titanium slag involves smelting ilmenite in an electric furnace under reducing conditions, normally with anthracite used as a reducing agent. The slag, containing the bulk of the titanium and impurities other than iron, is tapped off the top of the furnace while a high purity pig iron is recovered from the bottom of the furnace. The final quality of the slag is highly dependent on the quality of the original ilmenite and the ash composition of the anthracite used in the furnace.

In 1997, Canada-based Fer et Titane Inc, also known as QIT (which is owned by Rio Tinto) commissioned its heat treatment and chemical leaching process to upgrade its standard sulfate grade slag by removal of iron and alkali oxides, resulting in an increase in titanium content to approximately 95%. The resulting product is referred to as upgraded slag and is marketed as a rutile-equivalent product.

Synthetic Rutile

A number of processes have been developed for the beneficiation of ilmenite into products containing between approximately 90% and 95% titanium. These products are known as synthetic rutile or upgraded ilmenite. The processes employed vary in terms of the extent to which the ilmenite grain is reduced and the precise nature of the reducing reaction and the conditions used in the subsequent removal of iron. All of the existing commercial processes are based on the reduction of ilmenite in a rotary kiln, followed by leaching under various conditions to remove the iron from the reduced ilmenite grains.

Feedstock Grades

The titanium feedstocks used to produce TiO_2 pigment can be graded as follows:

Natural rutile (typically approximately 95% titanium);

Upgraded slag (typically approximately 95% titanium);

Synthetic rutile (typically approximately 90% to 93% titanium);

Chloride slag (typically approximately 86% titanium);

Chloride fines (typically approximately 83% to 86% titanium);

Sulfate slag (typically approximately 75% to 80% titanium);

Leucoxene (typically approximately 70% to 91% titanium);

Chloride ilmenite (typically approximately 58% titanium or above); and

Sulfate ilmenite (typically approximately 44% to 57% titanium).

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The chart below shows the total titanium feedstock production grades during 2010:

Source: TZMI Mineral Sands Annual Review (2011)

Co-products

The primary co-products of heavy mineral sands mining and titanium slag production are zircon and high purity iron.

Zircon

Zircon is extracted, alongside ilmenite and rutile, as part of the initial mineral sands beneficiation process. Zircon typically makes up a relatively low proportion of heavy mineral sands mining but has a high value comparable to other heavy mineral products, resulting in it contributing a significant portion to total revenue. The major application of zircon is as an opacifier in ceramic glazes for tiles, plates, dishes and industrial products. Zircon is also used for the production of zirconium and zirconium chemicals, in refractories, as a molding sand in foundries and for TV glass, where it is noted for its structural stability at high temperatures and resistance to abrasive and corrosive conditions. Refractories containing zircon are expensive and are only used in demanding, high-wear and corrosive applications in the glass, steel and cement industries. Foundry applications use zircon when casting articles of high quality and value where accurate sizing is crucial, such as aerospace, automotive, medical and other high-end applications. Zircon is not used as feedstock for the production of TiO_2 pigment. Historically, zircon has constituted a relatively minor part of the total product suite produced as a result of the mining and processing of titanium minerals. From the early 2000s, however, zircon has increased its value as a co-product, although it remains dependent on the mining of titanium minerals for its supply.

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The chart below shows the total zircon demand by final application in 2010:

Source: TZMI Mineral Sands Annual Review (2011).

High Purity Pig Iron

In producing titanium slag, ilmenite smelters can recover iron in the form of high purity pig iron containing low levels of manganese. When pig iron is produced in this manner, the molten iron is tapped from the ilmenite furnace during the smelting process, alloyed by adding carbon and silicon and treated to reduce the sulfur content, and is then cast into ingots, or pigs.

The pig iron produced as a co-product of titanium slag production is known as nodular pig iron, ductile pig iron, low manganese pig iron or high purity pig iron. It is typically low in manganese, phosphorus and sulfur and is sold to foundries as a dilutant for trace elements and to steel producers for iron units.

Mining and Processing Techniques

This section describes the mineral sands mining and production process by which TiO_2 pigment is ultimately derived and how its primary input, titanium feedstock, and the co-products zircon and pig iron, are obtained from deposits of mineral sands.

The diagrams below provide an overview of the process used to obtain titanium feedstock, as well as the co-products zircon and pig iron, all of which are ultimately derived from the mining of titanium minerals contained in sand or hard rock deposits. The South African and Australian diagrams are slightly different due to different feedstock characteristics.

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Generic process for titanium feedstock production for South African operations

Generic process for titanium feedstock production for Australian operations

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Mining

The mining of mineral sands deposits is conducted either wet, by dredging, or dry, using earth-moving equipment to excavate and transport the sands. Dredging, as used by the Tiwest Joint Venture at the Cooljarloo mine, is generally the favored method of mining mineral sands, provided that the ground conditions are suitable and water is readily available. In situations involving hard ground, discontinuous ore bodies, small tonnage or very high grades, dry mining techniques are generally preferred.

Dredge Mining

Dredge mining, or wet mining, is best suited to ore reserves located below the water table. A floating dredge removes the ore from the bottom of an artificial pond through a large suction pipe. The bulk sand material is fed as slurry through a primary, or wet, concentrator that is typically towed behind the dredge unit. The dredge slowly advances across the pond and deposits clean sand tailings behind the pond for subsequent revegetation and rehabilitation. Because of the capital cost involved in manufacture and location, dredge mining is most suitable for large, long life deposits, often of a lower grade. The dredging operations at Cooljarloo use two large floating dredges in a purpose-built pond. The slurry is pumped to a floating concentrator which recovers heavy minerals from the sand and clay.

Dry Mining

Dry mining is suitable where mineral deposits are shallow, contain hard bands of rock, or are in a series of unconnected ore bodies. Dry mining is performed at Namakwa Sands, which is located in an arid region on the west coast of South Africa. The unconsolidated types of ore are mined with front end loaders in a load and carry operation, dumping the mineral bearing sands onto a conveyor belt system that follows behind the mining face. The more competent layers are mined using hydraulic excavators in a backhoe configuration or by trackdozer. Namakwa Sands does not use blasting in its operations. The mined material is transported by trucks to the mineral sizers where primary reduction takes place.

Hydraulic Mining

KZN Sands uses a unique hydraulic mining method for mineral sands due to the topography of the ore body and the ore characteristics. A jet of high-pressure water (approximately 2,500 kilopascals) is aimed at a mining face, thereby cutting into and loosening the in situ sand so that it collapses on the floor. The water acts as a carrier medium for the sand, due to the high slimes content contained in the ore body. The slurry generated by the hydraulic monitors flows to a collection sump where oversize is removed and the slurry is then pumped to the primary concentration plant.

Processing

Concentration

Both wet and dry mining techniques utilize wet concentrator plants to produce a high grade of heavy mineral concentrate (typically approximately 90% to 98% heavy mineral content). Screened ore is first deslimed, a process by which slimes (mineral particles that are too fine to be economically extracted and other materials that are left over after the valuable fraction of an ore has been separated from the uneconomic fraction) are separated from larger particles of minerals, and then washed through a series of spiral separators that use gravity to separate the heavy mineral sands from lighter materials, such as quartz. Residue from the concentration process is pumped back into either the open pits or slimes dams for rehabilitation and water recovery. Water used in the process is recycled into a clean water dam with any additional water requirements made up from pit dewatering or rainfall.

Mineral Separation

The non-magnetic (zircon and rutile) and magnetic (ilmenite) concentrates are passed through a dry mill to separate out the minerals. Electrostatic and dry magnetic methods are used to further separate the ilmenite, rutile

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and zircon. Electrostatic separation relies on the difference in surface conductivity of the materials to be separated. Conductive minerals (such as ilmenite, rutile and leucoxene) behave differently from non-conductive minerals (such as zircon and quartz) when subjected to electrical forces. Magnetic separation is dependent on the iron content of a mineral. Magnetic minerals (such as ilmenite) will easily separate from non-magnetic minerals (such as rutile and leucoxene) when subjected to a magnetic field. A combination of gravity and magnetic separation is used to separate out zircon from the non-magnetic portion of the heavy mineral concentrate.

The heavy mineral concentrate at KZN Sands and Namakwa Sands is passed through wet high-intensity magnetic separation to produce a non-magnetic fraction and a magnetic fraction. This step is not required for the Tiwest Joint Venture material.

Smelting

Ilmenite at KZN Sands and Namakwa Sands is processed further through direct current arc furnaces to produce titanium slag with a titanium content of approximately 87%. The smelting process comprises the carbonaceous reduction of ilmenite to produce titanium slag and nodular pig iron. Ilmenite and as-received anthracite (dried to remove the fines before smelting) are fed in a tightly controlled ratio through a hollow electrode into an operating furnace where the endothermic reduction of ilmenite occurs. The resultant titanium slag has a lower density than the iron, and separation of the two liquid products occurs inside the furnace. The slag and iron are tapped periodically from separate sets of tapholes located around the circumference of the furnace. The tapholes for slag are on a higher elevation than those for iron. Slag is tapped into steel pots and cooled for several hours in the pots before the slag blocks are tipped out. The blocks are subsequently transported to the blockyard where they are cooled under water sprays for a number of days. They are then crushed, milled and separated according to size fractions, as required by the customers. The tapped pig iron is re-carburized and de-sulfurized, and cast into pigs.

Synthetic Rutile Production

Ilmenite may also be upgraded into synthetic rutile. Synthetic rutile, or upgraded ilmenite, is a chemically modified form of ilmenite that has had most of the ferrous, non-titanium components removed, and is suitable for use in the production of titanium metal or TiO_2 pigment using the chloride process. Ilmenite is converted to synthetic rutile in a two-stage pyrometallurgical and chemical process. The pyrometallurgical stage involves heating ilmenite in a large rotary kiln. Coal is used as a heat source and, when burned in a limited air environment, it produces carbon monoxide, which promotes a reducing environment that converts the iron oxide contained in the ilmenite to metallic iron. The intermediate product, called reduced ilmenite, is a highly magnetic sand grain due to the presence of the metallic iron. The second stage involves the conversion of reduced ilmenite to synthetic rutile by removing the metallic iron from the reduced ilmenite grain. This is achieved through aeration (oxidation), accelerated through the use of ammonium chloride as a catalyst, and acid leaching of the iron to dissolve it out of the reduced ilmenite. Activated carbon is also produced as a co-product of the synthetic rutile production process.

Raw Materials

The smelters at KZN Sands and Namakwa Sands use anthracite as a reducing agent, which is available from a variety of suppliers. Namakwa Sands imports high quality anthracite for its smelter from Vietnam. Vietnam has a large anthracite resource, however, the Vietnamese government regulates both the price and sales volumes of anthracite. If the sales volume or price regulations were to become restrictive, it could negatively impact KZN Sands s and Namakwa Sands s production. Both of the KZN Sands smelters use anthracite from two local suppliers. Low ash and sulfur content are the main quality considerations. Anthracite suppliers with similar cost and availability to the Vietnamese supplier are available in Russia and Ukraine, as well as locally to Exxaro Mineral Sands s South African operations in Swaziland. Alternatively, char may be used as a substitute reducing agent for anthracite.

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The KZN Sands and Namakwa Sands operations currently use Sasol gas, which is available only from Sasol Limited. However, Sasol gas could be replaced with carbon monoxide gas produced by KZN Sands and Namakwa Sands, if necessary. KZN Sands is currently in the process of increasing its use of carbon monoxide gas.

Other raw materials used at the KZN Sands and Namakwa Sands operations include: electrodes, sulphuric acid, flocculant, ferrosilicon, nitrogen and oxygen. Multiple suppliers provide these raw materials.

The Tiwest Joint Venture s synthetic rutile operation uses coal as a reducing agent, which is available locally from two suppliers, both of which have extensive coal resources. The synthetic rutile process relies on the quality of coal from southwest Western Australia for the efficient production of quality synthetic rutile and activated carbon from the synthetic rutile kiln. Other types of coal could likely be used if both of the current coal suppliers were unavailable, but some temporary adverse impact on the production and cost of synthetic rutile at the Tiwest Joint Venture would be likely.

TiO_2 Pigment Production

Exxaro Mineral Sands s business includes revenue from TiO_2 pigment produced by the Tiwest Joint Venture, as discussed under Overview Exxaro Mineral Sands. For a discussion of the TiO_2 pigment production process, see Description of Tronox Incorporated Pigment Segment Manufacturing Process.

Properties and Reserves

Exxaro estimates that, as of December 31, 2011 and December 31, 2010, the total book value of the South African mineral sands operations and its associated facilities and equipment was R3,888.1 million ($480.6 million) and R2,863.7 million ($432.6 million), respectively, and the total amount of capital expenditures for the South African mineral sands operations during 2011 and 2010 was R1,009.1 million ($139.0 million) and R269.0 million ($36.7 million), respectively. Exxaro estimates that, as of December 31, 2011 and December 31, 2010, the total book value of Exxaro s interest in the Australia Sands operations and its associated facilities and equipment was R2,397.5 million ($296.4 million) and R2,398.5 million ($362.3 million), respectively, and the total amount of Exxaro s capital expenditures for the Australia Sands operations during 2011 and 2010 was R177.9 million ($24.5 million) and R423.6 million ($57.8 million), respectively.

Properties

Hillendale Mining Operations

Description of Property

The Hillendale heavy minerals deposit is located in northern KwaZulu-Natal, approximately 20 kilometers southwest of Richards Bay. Hillendale is bordered by the Mhlathuze River on the northwestern side and by eSikhawini Township on the southeastern side. The topography at Hillendale is characterized by a 3.8 kilometer long dune ridge, which runs parallel to the Mhlathuze River. The ridge, approximately 8 kilometers from the present coastline, is approximately 600 meters wide and reaches a maximum height of 75 meters above the river s flood plain, although the average height of the dune throughout the Hillendale area is approximately 50 meters. Slopes to the southeast are relatively uniform and moderate, with gradients between 1:10 and 1:15, while the slopes facing the river tend to be steeper (1:2 to 1:5) and are dissected by several drainage lines. The Mhlathuze flood plain at the foot of the dune is approximately 15 meters above mean sea level, and varies in width from 300 to 700 meters. Mineral sands are extracted from a single open-cast mining area at Hillendale, the littoral marine and Aeolian coastal plain deposit, which stretches from south of Mtunzini and past Hillendale (as discussed below under Fairbreeze Mine Description of Property) in the north. Mining of the Hillendale ore body began in 2001. The Hillendale mine spans an area of approximately 1,206 hectares, comprising four properties referred to individually as Hillendale, Reserve 10, Braeburn and Braeburn Extension.

The Hillendale mining operations consist of a mining area, a primary wet plant, a residue dam and a return water dam. The mining area consists of mineralized dunes that are mined by means of hydraulic monitors. The ore body is shallow (30 to 40 meters), so drilling and blasting are not required as part of the mining process. The hydraulic monitors transport the ore in a slurry form via sluices to pump stations, from where the slurry is pumped to the primary wet plant. The primary wet plant uses a wet gravity separation process to produce heavy mineral concentrate, which is then transported to KZN Sands s central processing complex at Empangeni for further processing. The residue dam at the mining operations is used for the sub-aerial deposition of slimes (fine clay material) extracted at the primary wet plant. Underneath the dam are several subterranean drains, which drain water to the return water dam. The drains are intended to lower the high water table underneath the residue dam and are expected to remain in place after the mine has been closed, draining into the agricultural drainage channels which run along the base of the dunes. Some water from the residue dam drains to the return water dam, where it is recycled for reuse in the mining operations, and the remainder is evaporated.

In 2011, the Hillendale mine produced approximately 7 million tonnes of ore. The design capacity of the mine is approximately 12 million tonnes per year. In 2011, the Hillendale primary wet plant produced approximately 370,322 tonnes of heavy mineral concentrate. The design capacity of the plant is approximately 931,000 tonnes per year. In 2011, the mineral separation plant at Empangeni produced approximately 212,868 tonnes of final mineral products, including approximately 167,578 tonnes of ilmenite, 28,374 tonnes of zircon and 16,916 tonnes of rutile. The design capacity of the mineral separation plant is approximately 596,000 tonnes of ilmenite per year, 60,000 tonnes of zircon per year and 30,000 tonnes of rutile per year. In 2011, the smelter at Empangeni produced approximately 91,782 tonnes of titanium slag (129,479 tonnes of chloride process slag and 22,184 tonnes of sulphate process slag, including 95,424 tonnes processed from the stockpile of slag blocks from 2010) and 57,727 tonnes of pig iron. The design capacity of the smelter is approximately 220,000 tonnes of titanium slag per year (186,000 tonnes of chloride process slag per year and 30,000 tonnes of sulphate process slag per year) and 124,000 tonnes of pig iron per year.

In August 2011, a scheduled inspection of Furnace 1 at KZN Sands revealed a water ingress into Furnace 1. The furnace was taken out of operation on September 8, 2011, after confirming that it was unsafe to operate it with the water ingress. Furnace 1 was out of operation for 168 days to completely re-line the furnace and to upgrade the hearth to a copper plate conductive hearth and resumed operation on February 25, 2012, as further discussed under Exxaro Mineral Sands Management s Discussion and Analysis of Financial Condition and Results of Operations Recent Developments Furnace Shutdowns.

When the Hillendale mine is decommissioned, which is expected to occur at the end of 2012, there will be a period during which KZN Sands intends to source an alternate supply of ilmenite from Namakwa Sands and other third party suppliers before the Fairbreeze mine commences operations, which is expected in 2014. Exxaro Mineral Sands estimates that approximately 861,416 tonnes of smelter grade ilmenite will be required in order for titanium slag to continue being produced at KZN Sands during this period. Exxaro Mineral Sands anticipates that it will be able to acquire the required smelter grade ilmenite from a number of alternative sources during this period, including from the UMM Plant at Namakwa Sands, in order to meet the anticipated demand (for a further discussion of the alternate supplies of ilmenite, see Exxaro Mineral Sands Management s Discussion and Analysis of Financial Condition and Results of Operations Recent Developments Fairbreeze Mining Project and Namakwa Sands Description of Property).

Power and Water Supply

The Hillendale mining operations have an independent electrical distribution system. Power is supplied by Eskom Holdings Limited, the South African electricity public utility, through a single overhead transmission line dedicated to the mine.

Raw water is supplied to the Hillendale mining operations from a dam on the Mhlathuze River. The dam, and related pump station and supply line, are owned by the municipality. Roughly 50% of the water used at the primary wet plant is recycled.

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Exploration

KZN Sands s strategy for future exploration is to commence with an airborne geophysical survey that includes magnetic susceptibility and radiometric emission measurements. A survey of this nature has the potential to highlight ilmenite-rich zones from the magnetic information and zircon-rich zones from the radiometric data. Once prospective zones have been identified, the geophysical information can be interpreted in combination with the topography (i.e., dune forms) to delineate areas of potentially heavy mineral enrichment that can then be investigated in more detail.

Once resources have been identified, drilling is expected to begin with a spacing determined by the width and length of the ore body. As sample data becomes available, the spacing will be reduced accordingly, normally by halving the ore body length spacing.

Fairbreeze Mine

Description of Property

The Fairbreeze mineral sands deposits in northern KwaZulu-Natal are situated approximately 45 kilometers southwest of Richards Bay. The Fairbreeze area starts just south of the coastal town of Mtunzini and extends southward for about 12 kilometers in a strip approximately 2 kilometers wide which ends near the Fairbreeze off-ramp on the N2, the main highway along the Indian Ocean coast of South Africa. The Hillendale mine, as described above under Hillendale Mining Operations, is currently the sole producer of heavy mineral concentrate for KZN Sands and is expected to reach the end of its economic life in 2012. The Fairbreeze area was identified as a successor to Hillendale during initial feasibility studies in 1999, which were updated in 2005 and 2010. Mining of the Fairbreeze ore bodies is planned to begin after the Hillendale mineral reserves have been exhausted. When Hillendale is decommissioned, there will be a period during which KZN Sands intends to source an alternative supply of titanium ore from Namakwa Sands and other third party suppliers before the Fairbreeze mine commences operation. The Fairbreeze mine is expected to provide ilmenite feed for the smelter operations located at KZN Sands s central processing plant in Empangeni, where titanium slag is produced. The Fairbreeze project spans an area of approximately 4,140 hectares, comprising twenty-two properties. The five Fairbreeze deposits (A, B, C, D and C Extension) are arranged in an echelon pattern parallel to the coast. The Block P area, which comprises two farms spanning an area of approximately 487 hectares, is located 9 kilometers northeast of Empangeni and also forms part of the Fairbreeze mining right, although Exxaro Mineral Sands does not currently have any plans to mine Block P. Most of the land on which Exxaro Sands has mining rights for the Fairbreeze project is owned by Mondi Ltd, which is currently subject to land claims by the Obanjeni Community, as further discussed below under Legal Proceedings South Africa Obanjeni Land Claims. Exxaro Sands has not been denied access to the property, but further ownership disputes may arise, as further discussed under Risk Factors Exxaro Mineral Sands s privately held South African land and mineral rights could be subject to land restitution claims.

The Fairbreeze area is characterized by a ridge, 2 to 2.5 kilometers inland from the present coastline, comprised of ancient dune cordons of Berea-type red sands. The cordons have been dissected by rivers and streams, including Siyaya and Manzamnyama, leaving a smaller number of freestanding dunes along the entire length of the ridge. Slope gradients vary from 1:17 to 1:2, with the steeper slopes situated on the seaward side of the dunes. The maximum elevation of the ancient dunes in the Fairbreeze area is 109 meters above mean sea level. More recently formed dunes, which run parallel and closer to the present coastline than the ancient dunes, peak at 28 meters above mean sea level.

The Fairbreeze mining project is expected to be executed in two phases, as follows. During the first phase, the Hillendale primary wet plant and all reusable Hillendale mining equipment (e.g., pipes, pumping systems, cyclones for backfilling) will be relocated to a central position at Fairbreeze. The primary wet plant will be upgraded to treat the higher slimes throughput and a new residue storage facility, the Mega Sebeka dam, will be constructed. A second residue storage facility, the Valley dam, will be developed at a later date. A temporary retaining wall will be constructed within the Valley dam containment area so that it can be used as a return water dam until it is necessary to

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use the Valley dam as a residue storage facility. Due to the higher heavy mineral concentrate grade, the Fairbreeze C deposit and C Extension deposit are intended to be mined first. Mining of the Fairbreeze C deposit and C Extension deposit is expected to take five years to complete. The second phase of the Fairbreeze mining project will commence after the Fairbreeze C deposit and C Extension deposit have been mined out. The primary wet plant and mining infrastructure will be upgraded to a throughput of 2,200 tonnes per hour and the Valley dam will be built.

The planned mining method for Fairbreeze is similar to the one currently used at the Hillendale mine, where the ore body is mined using high-pressure hydraulic monitor guns to create a slurry that is gravitated in launders to satellite pump stations from where it is pumped to a main holding tank. It is then pumped to the primary wet plant to produce heavy mineral concentrate.

Power and Water Supply

Exxaro Mineral Sands plans to reuse most of the existing electrical and instrumentation equipment from the Hillendale primary wet plant at the Fairbreeze mine. In addition, a new Eskom substation will be positioned approximately in the center of the total Fairbreeze mining ore body.

The only viable water supply option for the Fairbreeze project is the Mhlathuze River, which is currently used to supply water for the Hillendale mining operations. The availability of sufficient water has been confirmed by the water supply authority, Mhlathuze Water. Raw water is expected to be supplied by the pipeline operated by Mhlathuze Water, as per the existing Hillendale system, sourced at the present Hillendale pump station, but is expected to be upgraded to account for the additional demand.

Exploration

Natal Mineral Sands conducted an exploration program over the Fairbreeze area between 1988 and 1992. The initial phase comprised a shallow (approximately 5 meters) reconnaissance hand auger drilling program over much of the Fairbreeze A deposit and part of the Fairbreeze D deposit. The results indicated several zones of heavy mineral enrichment and subsequent deep drilling activities were targeted on those areas, mainly the Fairbreeze A deposit and the southern end of the Fairbreeze D deposit.

The Severin Development Corporation acquired surface and prospecting rights to the Fairbreeze C Extension deposit in November 1987 and conducted exploration and feasibility studies until 1994. Severin conducted a drilling program and metallurgical sampling to prove recoveries, finalize flow sheets and obtain marketing samples.

Iscor Limited purchased Natal Mineral Sands in 1994 and subsequently formed Iscor Heavy Minerals, which initiated a second phase of exploration to further define and delineate the known heavy mineral occurrences (Fairbreeze A and D deposits), to locate and delineate additional resources (Fairbreeze B and C deposits) and to classify the deposits according to internationally accepted standards.

In 2002, Exxaro Mineral Sands drilled the area which would have been covered by the first three years of mining on Fairbreeze C. Exxaro Mineral Sands conducted physical analyses, as well as x-ray fluorescence and mineralogy on the drilling samples. In December 2002, Exxaro Mineral Sands performed bulk sampling on a near surface site at Fairbreeze C primarily to assess the mining characteristics of the Fairbreeze material and to measure the performance of the Hillendale primary wet plant while it was being fed with Fairbreeze material.

Exxaro Mineral Sands obtained the prospecting rights for the Fairbreeze C Extension properties from Severin in April 2003, and began exploration using the Wallis Aircore method. Exxaro Mineral Sands conducted physical analyses, as well as x-ray fluorescence and mineralogy on the drilling samples. Exxaro Mineral Sands did not include Severin s borehole data in its resource estimates, because the data was deemed unreliable. In May 2003, Exxaro Mineral Sands conducted a large diameter auger drilling program on the Fairbreeze A, C and C Extension deposits with the primary purpose of providing bulk samples for pilot plant test work.

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In 2006, Exxaro Mineral Sands conducted further drilling on Fairbreeze C in order to improve drilling data, as well as to close the spacing between the existing drill holes.

Port Durnford Prospecting Project

Description of Property

Exxaro Sands has entered into a joint venture agreement with the Imbiza Consortium, a BEE group, in order to conduct exploration and development of the Port Durnford State Forest, which is located immediately south of the Hillendale mine and extends about 13 kilometers south towards the town of Mtunzini. The Port Durnford area lies between the Mhlathuze and Umlalazi rivers and is bordered by the R102 road to the west and by the coastal railway line to Durban and the township of eSikhawini to the east. The Port Durnford property ends near the Forest Inn on the R102 to Mtunzini and is transected by the N2. On June 11, 2010, Exxaro Sands submitted a new prospecting rights application to the DMR. To date, the DMR has not provided a final reply. The land subject to the Port Durnford prospecting rights application is currently owned by the South African state, but the Mkhwanazi Tribe has made land claims in respect of the land which have been accepted, although the land has not yet been transferred to the Mkhwanazi Tribe.

Port Durnford could be a source of ilmenite feed for the smelter operations at Hillendale s central processing complex in Empangeni. Exxaro Mineral Sands expects that primary beneficiation of the Port Durnford ore body will be conducted by the primary wet plant to be used at the Fairbreeze mine, which Exxaro Mineral Sands plans to relocate to Port Durnford once Port Durnford s mining operations have commenced. The ex-Fairbreeze plant is expected to have an hourly production rate of 2,200 tonnes run of mine and the hourly production rate at Port Durnford is ultimately expected to reach 2,800 tonnes run of mine (22 million tonnes run of mine per year) due to dropping ilmenite grades.

The Port Durnford deposit is high in silt content, which makes dredging an unsuitable mining method, therefore Port Durnford is expected to use hydraulic mining (see Mining and Processing Techniques Mining Hydraulic Mining). Slimes dams will be used at Port Durnford and, based on the current performance at the Hillendale mining operations, about 80% of all slimes generated at Port Durnford are expected to be disposed of in the slimes dams. The remainder of the slimes are expected to be returned to the open mine pit. The Hillendale slimes dam will not be available for the disposal of slimes from Port Durnford, therefore a slimes dam will need to be constructed from the outset of production at Port Durnford. Once the hourly production rate at Port Durnford reaches 2,800 tonnes run of mine, two slimes dams will be required. The life of mine is expected to be approximately 15 years.

The capital expenditure estimate based on the 2009 prefeasibility study for the Port Durnford project is approximately R2,200 million ($303.0 million), and Exxaro Mineral Sands has incurred R0.9 million ($0.1 million) in capital expenditure in the two years since the study.

Power and Water Supply

Power is expected to be supplied to the Port Durnford mining operations by the same Eskom transmission line that currently feeds the Hillendale and Fairbreeze mining areas, and Exxaro Mineral Sands plans to reuse the existing Fairbreeze electrical equipment (i.e., motor control centers, switchgear and transformers) at Port Durnford. Eskom has acknowledged Exxaro s request for a relocation of the existing power supplies to accommodate the power required for Port Durnford s mining operations. Eskom considers the power supply to Port Durnford to be both a new connection and a relocation of reserved network loads, and Eskom has indicated that the risk of non-approval is low due to the advantage of relocating the existing Fairbreeze load on the same network.

Water is expected to be supplied to Port Durnford from the same pipeline to be used for Fairbreeze, which will pass approximately 1.5 kilometers from the Port Durnford site. The raw water is expected to be sourced at

the present Hillendale pump station, but be upgraded to account for additional demand. The water requirement for Port Durnford is expected to be only marginally higher than the total water requirement for Hillendale and Fairbreeze combined. The water supply authority, Mhlathuze Water, has confirmed the availability of sufficient water for the Port Durnford mining operations. Upon completion of mining activities at Hillendale and Fairbreeze, the water rights for those operations are expected to be transferred to Port Durnford.

Exploration

Between 1979 and 1980, Richards Bay Minerals carried out limited exploration activities on Port Durnford. The Industrial Development Corporation of South Africa Limited, a state-owned organization, conducted additional exploration of the property in 1984. Between 1988 and 1989, Richards Bay revised its prior exploratory work, indicating the presence of a low-grade heavy minerals deposit in the Port Durnford area with high silt content, but noting that it was uneconomic to exploit it at that time.

In 2003, Exxaro conducted aerial radiometric and magnetic geophysical surveys of an area including Port Durnford, which revealed patchy anomalies in the Port Durnford area with a good potential for heavy mineral concentrations. Exxaro began an initial exploratory drilling program in February 2006. Exxaro used the results of the initial phase to plan the location of the next set of boreholes, targeting areas with more than 3.0% total heavy minerals. Exxaro began an infill drilling program between November 2007 and July 2008, basing the borehole spacing on the observed variability from the initial drilling program. All drilling of the Port Durnford area was done with the Wallis Aircore method, complemented by a sonic coring system to better understand the geology of the area.

Centane Prospecting Project

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Description of Property

Exxaro Mineral Sands obtained the Centane prospecting project when Iscor Limited purchased Natal Mineral Sands in 1994 (see Fairbreeze Mine Exploration). Centane s heavy mineral deposits occur along the southern part of the former Transkei coast, in the Eastern Cape province. The three Centane deposits, Ngcizele, Nombanjana and Sandy Point, are located about 65 kilometers southeast of Butterworth and about 80 kilometers northeast of East London, as shown on the map above. The three deposits are subdivided by two perennial rivers.

The inland heavy mineral bearing dune cordons of Centane s east coast were deposited during marine regression in the late Tertiary to early Quarternary periods. Except for the Sandy Point dune, the Centane dunes have undergone intense weathering and decomposition of ferromagnesian minerals, resulting in the deep red color of the Berea-type red sands. The sand is medium grained and moderately sorted. Valuable heavy minerals comprising ilmenite, zircon, rutile and leucoxene are distributed throughout the thickness of the Centane deposit.

Exxaro Mineral Sands conducted exploration activities on Centane as part of its studies to evaluate the development of the Centane deposit as a potential long-term supply of ilmenite feed for KZN Sands s smelter operation at Empangeni, where titanium slag is produced. Centane is an important mineral resource for Exxaro Mineral Sands s future growth or mine replacement projects.

Power and Water Supply

There is currently no infrastructure in place to supply power or water to the Centane project.

Exploration

A number of companies have evaluated the Centane deposits since early 1970, including King Resources, B Locke of Rhodes University in 1972, Wavecrest Titanium (Pty) Ltd in 1973, Cape Morgan Titanium in 1984, Anglo American Prospecting Services in 1987, Rhombus Exploration in 1988 and Rand Mines in 1990. Rhombus Exploration conducted detailed exploration work, including drilling and seismic studies, in the late 1980s, as part of their pre-feasibility studies on Centane. The majority of the boreholes drilled by Rhombus Exploration were spaced on a 400 meter by 100 meter grid.

In October 2006, Exxaro Mineral Sands converted an older order prospecting permit, covering 1,972 hectares of the Centane property, into a new order prospecting right, in compliance with the MPRDA. Although the DMR granted Exxaro Mineral Sands the prospecting right with respect to the Centane property, an embargo on prospecting activities in the Eastern Cape remained in force until the DMR issued a clarification in February 2008 to proceed with prospecting activities.

In 2008, under the new order prospecting right, Exxaro Mineral Sands drilled 66 boreholes on the Ngcizele orebody using the Wallis Aircore method, with the goal of evaluating the exploration work performed by Rhombus Exploration. Drilling on the Nombanjana orebody has not been completed because local communities prevented Exxaro Mineral Sands from accessing the site.

The new order prospecting right over the Centane property lapsed on October 8, 2011. Exxaro Mineral Sands lodged an application with the DMR for a renewal of the prospecting right in July 2011, and is currently awaiting an outcome on the application from the DMR. Exxaro Mineral Sands plans to conduct additional drilling on Centane if the prospecting right is renewed.

Exxaro Mineral Sands undertook mineral resources modelling on Nombanjana and Sandy Point in the late 1990s. The mineral resources on Ngcizele are based on the drilling work conducted by Exxaro Mineral Sands in 2008. The classification of Centane s mineral resources is largely based on the drilling density.

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Namakwa Sands

Description of Property

The Namakwa Sands operations were constructed in 1993-1994 by Anglo American Corporation and were fully commissioned and operational by 1995. Exxaro acquired Namakwa Sands from Anglo American in 2008. Namakwa Sands conducts mining activities at its Northern Operations in Brand se Baai, located approximately 350 kilometers north of Cape Town. The Namakwa Sands mine site is situated approximately 92 kilometers northwest of Vredendal, in the West Coast Municipal Area, and 220 kilometers from the port of Saldanha. Exxaro TSA Sands owns the surface rights over 25,089 hectares of land, of which 17,111 hectares are situated in and around the mine site and 6,354 hectares are in remote prospecting areas. An additional 832 hectares of agricultural land are held at the mineral separation plant and Lutzville areas plus a further 792 hectares at the Southern Operations. Exxaro TSA Sands also holds 56 kilometers of servitude rights in the area adjacent to the road between the mineral separation plant and the mine, on which the pipeline that delivers fresh water to the mine and fiber optic communication cables are located. Exxaro TSA Sands owns numerous residential properties in the towns of Lutzville, Vredendal, Saldanha and Vredenburg, which provide housing for Namakwa Sands s employees and their families at a nominal cost.

The general topography of the mine site is characterized by deflation dunes along coastal plains, which are intermittently dissected by dry riverbeds to form an undulating landscape. Brand se Baai is one of many bays along this stretch of coast. The Namakwa Sands mine is constrained between two hills, Graauwduin-se-kop in the northeast and Skimmelkop in the southwest, and is truncated by the Groot Goerap and Sout Rivers in the north. The elevation rises from west to east, reaching an elevation of just over 200 meters above mean sea level in the northeast. Minerals are transported approximately 52 kilometers from the mines to the mineral separation plant by purpose-built trailers and trucks, which travel on a tar road constructed for this purpose. A railway line connects the mineral separation plant and the smelter, with minerals transported in specially-designed closed container rail trucks, to prevent mineral loss and contamination.

Namakwa Sands extracts heavy mineral sands using open-cast methods at two locations within the mining authorization area at its Northern Operations: the East Mine (3,370 hectares) and the West Mine (1,400 hectares).

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The East Mine primarily uses a shallow mineral sands stripping process with sequential rehabilitation taking place behind the active mining window. Operations at the West Mine entail shallow stripping of the mineral sands followed by a deep mining operation to recover hardened materials. Namakwa Sands has installed additional capacity to crush the hard material from the deep mining operation and improve the recovery process.

In 2011, the East Mine produced approximately 7.2 million tonnes of ore and the West Mine produced approximately 12.8 million tonnes of ore. The capacity of the East Mine is highly dependent on the underfoot conditions and the soil thickness; however, the East Mine typically has sufficient capacity to keep the East Mine primary concentration plant running at full capacity. The capacity of the West Mine is limited by its ability to supply a consistent grade of feed to the West Mine primary concentration plant. The West Mine s capacity is approximately 25% more than that of the West Mine primary concentration plant. In 2011, the East Mine primary concentration plant produced approximately 625,423 tonnes of heavy mineral concentrate. The East Mine primary concentration plant currently has spare capacity of approximately 8% at a 93% utilization to treat run of mine. In 2011, the West Mine primary concentration plant produced approximately 1.1 million tonnes of heavy mineral concentrate. Due to the slimes content of the feed, the West Mine primary concentration plant only has approximately 2% spare capacity at a 92% utilization to treat run of mine. In 2011, the secondary concentration plant produced approximately 808,377 tonnes of heavy mineral concentrate (magnetic and non-magnetic material) and has spare capacity of approximately 4.7% at a 94% utilization to treat heavy mineral concentrate. In 2011, the mineral separation plant produced approximately 542,271 tonnes of mineral products, including approximately 376,623 tonnes of ilmenite, 30,727 tonnes of rutile and 134,921 tonnes of zircon. The mineral separation plant has spare capacity of approximately 16% at a 95% utilization to treat magnetic material and spare capacity of approximately 6% at a 91% utilization to treat non-magnetic material. In 2011, the smelter plant produced approximately 151,604 tonnes of chloride slag, 27,525 tonnes of sulphate slag and 108,928 tonnes of pig iron. The furnaces at the smelter plant are approximately 22% over the design capacity due to the implementation of side feed technology (where some of the ilmenite is fed from the side of the furnace instead of all through the single electrode) and better management of the chemical balance between the reductant and ilmenite used and the energy input.

Namakwa Sands is estimated to have production reserves through 2030. Exxaro TSA Sands submitted an application to extend its mining activities outside of the border line established by the Namakwa Sands Environmental Management Program Report (described below under Regulation of the Mining Industry in South Africa and Australia Mining Regulation in South Africa), except for an environmentally sensitive area of The Kom, on July 15, 2011. On March 28, 2012, Exxaro TSA Sands received approval from the DMR, subject to a number of conditions. Exxaro TSA Sands now expects to proceed with a resource definition drilling program as part of the Namakwa Sands mine expansion. If the DMR had not approved Exxaro TSA Sands s application, mining activity at Namakwa Sands might have been limited and the mine s reserves might have been depleted in 2027.

As described above under Hillendale Mining Operations Description of Property, when the Hillendale mine is decommissioned, which is expected to occur at the end of 2012, there will be a period during which KZN Sands intends to source an alternate supply of ilmenite from Namakwa Sands and other third party suppliers before the Fairbreeze mine commences operations, which is expected in 2014. One of the expected alternate sources of ilmenite is a 3.0 million tonne stockpile of excess ilmenite that was mined primarily from the West Mine at Namakwa Sands, and stockpiled prior to final processing. This stockpile comprises approximately 30% garnet minerals that will need to be removed before the material can be used as furnace feed. Exxaro Mineral Sands expects to construct a dedicated plant at Namakwa Sands (the UMM Plant) that would use magnetic separation to separate the garnet minerals from the ilmenite. The ilmenite would then be transported to KZN Sands for smelting. A detailed design of the plant has been completed, long lead items have been ordered and the Exxaro board of directors has approved the necessary capital of approximately $11.5 million for the project. Exxaro Mineral Sands expects the UMM Plant to begin producing ilmenite dedicated to the KZN Sands operations in November 2012. In the event that there are any delays in transporting ilmenite from the UMM Plant to the KZN Sands smelter or the UMM Plant is not operational in time to provide an alternate supply of ilmenite to KZN Sands, Exxaro Mineral Sands expects to be able to import sufficient ilmenite from third party suppliers

in order to meet the demand (as discussed under Exxaro Mineral Sands Management s Discussion and Analysis of Financial Condition and Results of Operations Recent Developments Fairbreeze Mining Project).

Power and Water Supply

Power is supplied to the Namakwa Sands mine by Eskom through a single overhead transmission line dedicated to the mine. The mining operations also have an emergency generator that is periodically tested under load and regularly tested off load.

In 2007, Exxaro began developing a cogeneration project to generate electricity from furnace off-gas produced as a by-product of the smelting process at the Namakwa Sands operations. The gas is rich in carbon monoxide and hydrogen and is currently flared. The cogeneration project would condition and combust the furnace off-gas in internal combustion engines to produce electricity. The project was further refined following Eskom s introduction of its Power Conservation Program, which requires large industrial companies to decrease their energy consumption or face punitive tariffs for exceeding Eskom s allowed quota. In September 2009, the National Energy Regulator of South Africa approved three 25.0% electricity tariff increases, which are expected to result in the cost of power from the cogeneration plant being cheaper than Eskom power by the end of 2013, soon after Exxaro anticipates commissioning the cogeneration plant. The possibility of Eskom implementing a Power Conservation Program or power-rationing regime in the event of power shortages and the added security of an independent supply of energy from the cogeneration plant would bring significant upside value to the cogeneration project. In addition, Exxaro believes that the project would contribute to energy efficiency and a lower carbon footprint for Exxaro, resulting in the mitigation of possible carbon taxes.

Sea water is supplied to Namakwa Sands from a sea water intake plant on the shore. The two pumps at the plant feed a sea water dam via a 4 kilometer pipeline. The dam has a capacity of 23,000 cubic meters, or 2 to 3 days, at full capacity. Sea water is used in the primary and secondary separation processes and is pumped via the sea water pump station installation close to the West Mine.

Fresh water is supplied to Namakwa Sands from the public irrigation canal system. The fresh water intake is from Koekenaap via a pipeline that runs to the mineral separation plant and mine. There are three pumps that feed the mining operations via a pipeline. Fresh water is stored in a 150,000 cubic meter dam.

Exploration

Heavy mineral sands were discovered along the west coast of South Africa around the turn of the 19th century. There are seven narrow coastal concentrations in the area, the largest of which lies adjacent to Namakwa Sands s current mining area. In the late 1960s, the Geological Survey of South Africa (now the Council for Geoscience) mapped three airborne magnetic and radiometric anomalies, the weakest of which coincided with the Namakwa Sands mine site. In 1986, Anglo American Prospecting Services conducted a soil geochemical survey, and reinterpreted the government s airborne-radiometric data, which led to the discovery and delineation of the Namakwa Sands ore body.

Since 2009, Namakwa Sands has used an annual drilling program to enable better long-term planning. The first half of each year is spent on mine resource definition drilling, and the latter half is spent on regional exploration activities. The update of the geological model is completed in the first part of the year to support the update of the life of mine and budget allocations in July of the following year. This gives Namakwa Sands s mineral resource manager sufficient time to conduct resource modeling and classification. All drilling is done with the Wallis Aircore method. Exxaro Mineral Sands began an 18,000 meter drilling program on the East Mine area in 2010, which is expected to be completed in 2012. Exxaro Mineral Sands intends to then focus drilling on the West Mine area on a 125 meter by 50 meter grid until 2014. Thereafter, Exxaro Mineral Sands intends to focus drilling on areas outside the border line established by the Namakwa Sands Environmental Management Program Report but within the expanded mining right area recently approved by the DMR (as discussed above under Description of Property).

The Southern Anomaly and Houtkraal prospecting permits, which relate to small deposits adjacent to the current ore body, are expected to be converted to mining rights and applications are expected to be submitted in

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the first half of 2012. This is expected to add approximately 30 million tonnes of resources over the life of mine. The Northern Anomaly (Groenrivier deposit) is still being evaluated. Exxaro Mineral Sands expects to make a decision regarding the most suitable method of extraction by December 2012.

The Tiwest Joint Venture Cooljarloo Mine

The Cooljarloo mine is located approximately 17 kilometers north of Cataby and approximately 170 kilometers north of Perth in Western Australia. Operations began at the Cooljarloo mine in 1989 and the mine is expected to be decommissioned around 2025 to 2030. The mine employs both dredge mining and dry mining methods. Initial heavy mineral concentrate reserves at Cooljarloo were 14 million tonnes, with approximately 7 million tonnes estimated to currently be remaining and about 14 million tonnes produced to date. The mining lease covers 9,744 hectares of land, of which 1,034 hectares are owned by the Tiwest Joint Venture, 42 hectares are owned by third parties and 8,668 hectares are Crown Land (which refers to land owned by the Australian state). The south mine dredge mining operations consist of two floating dredges that mine approximately 16 to 17 million tonnes of ore and produce 400,000 to 500,000 tonnes of heavy mineral concentrate annually. The Tiwest Joint Venture is currently implementing an expansion of the dredge mining operation that is anticipated to increase mining capacity to an estimated 23 to 24 million tonnes of ore per year. This expansion is expected to be commissioned in the second half of 2012, and is expected to allow the Tiwest Joint Venture to maintain heavy mineral concentrate production from the dredge mining operation at around current levels as grades decline along the future mine path. In 2011, the concentrator plants at the Cooljarloo mine produced approximately 769,000 tonnes of heavy mineral concentrate. Capacity at the concentrator plants depends on the grade of the mine head. The north mine is a dry mining operation that utilizes contract dozers, mining approximately 4 to 5 million tonnes of high grade ore annually and produces 200,000 to 300,000 tonnes of heavy mineral concentrate annually. The capacity of the north mine and south mine mining operations is highly dependent on the digging conditions within the mines (digging is easier when the sand is loose than when it is compacted or contains layers of clay). The current north mining operations have been extended to December 2013, after which they are intended to be closed and the plant relocated to Dongara in 2014, as discussed below under The Tiwest Joint Venture Dongara Project.

Heavy mineral concentrate from the Cooljarloo mine is transported to the Chandala dry mill and synthetic rutile plant by purpose-built trailers and trucks, which principally travel on a public highway between the two sites. The Chandala dry mill produces rutile, leucoxene, ilmenite, zircon and staurolite. The Chandala dry mill s annual feed capacity is approximately 780,000 tonnes, and it produced approximately 601,000 tonnes of mineral products in 2011 at a utilization rate of 97.6% (utilization rate refers to the hours per year for which a given facility was operational).

The Chandala synthetic rutile plant uses a reduction kiln, physical separation, aeration, acid leach and drying to upgrade TiO_2 ilmenite to TiO_2 synthetic rutile by removing contaminates. The Chandala synthetic rutile plant s current annual capacity is 225,000 tonnes. The plant produced approximately 219,000 tonnes of synthetic rutile in 2011 at a utilization rate of 96.2%. The Tiwest Joint Venture is currently conducting feasibility studies into brownfield expansion of the synthetic rutile plant that could expand annual capacity to approximately 300,000 tonnes per year. The goal of the proposed expansion would be to allow full utilization of internal ilmenite production from the expanded dredge operation and the proposed Dongara operation.

The Tiwest Joint Venture Cooljarloo West Project

The Cooljarloo West project is an exploration project immediately to the west of the existing Cooljarloo mine. If the project proves sufficient reserves, it could allow for the extension of the mine life for the existing south mine dredging operation to beyond 2030. The Cooljarloo West project is in the initial stages, with a reported resource, but further drilling is required to extend the resource and prove out reserves. Operations in the Cooljarloo West area are forecast to begin in 2016 with the goal of optimizing the overall mine life dredge path.

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The Tiwest Joint Venture Dongara Project

The Tiwest Joint Venture is currently conducting feasibility studies into the relocation of the Cooljarloo north mine plant to Dongara, which is located about 150 kilometers north of Cooljarloo. The preferred mining method for the Dongara operation is dredging, which has a lower unit cost than dry mining and is expected to extend the life of the mine and defray fixed capital over a longer time period. Six mining leases have been granted over the Dongara site, with the relevant environmental approvals for the project expected in mid-2012. There are also 14 mining lease applications currently pending over one deposit at Dongara. The Tiwest Joint Venture s management presently estimates that construction will begin in the first quarter of 2013, that dry mining will commence in the second quarter of 2014 and that dredging operations will commence in the fourth quarter of 2015.

The Tiwest Joint Venture Jurien Project

The Tiwest Joint Venture holds the mineral rights to property in Jurien, Western Australia. The rights were originally used for operations conducted by Australia s Western Mining Corporation in the mid-1970s, but no exploration or mining has been undertaken since that time. The Tiwest Joint Venture does not have any plans to commence activities on this project in the near future.

Gravelotte Mine and Letsitele Prospecting Project

Gravelotte Iron Ore Company Proprietary Limited, a South African company and wholly-owned subsidiary of Exxaro, is in the process of acquiring the Gravelotte mining right and the rights and interests to the related properties from Exxaro Sands. Completion of the acquisition is subject to regulatory authority approval and is expected during the first half of 2012, absent any regulatory delays.

The upper sands layer of the Gravelotte deposit on its own is not attractive from a KZN Sands smelter feed perspective due to its location, resource size and the absence of zircon as a co-product. Therefore, Exxaro Mineral Sands decided to sell the Gravelotte rights to Gravelotte Iron Ore Company Proprietary Limited to mine mainly the Sands rock portion of the deposit, primarily for its magnetite and vanadium content. Exxaro Sands has entered into an agreement with Gravelotte Iron Ore Company Proprietary Limited, and is currently awaiting regulatory approval in order to complete the transaction.

Exxaro Sands holds a prospecting right over portions of the Letsitele District of the Limpopo Province. In May 2010, Exxaro Sands entered into an agreement with three other parties who own prospecting rights in the Letsitele District that overlap with Exxaro Sands s prospecting rights. The status of this agreement is discussed below under Legal Proceedings South Africa Letsitele Contract Dispute. Exxaro Sands has agreed to proceed with the proposed Section 11 application for the transfer of the Letsitele prospecting rights, subject to the execution of the agreement for the sale of the prospecting rights from Exxaro Sands to a third party.

Mineral Resources and Reserves

Exxaro prepared the summary of the mineral resource and ore reserve estimates below as of December 31, 2011. Ore reserves in the context of this summary have the same meaning as mineral reserves as defined by the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves, effective July 2007 (the SAMREC Code). Exxaro prefers the term ore reserves because it clarifies the difference between ore reserves and mineral resources.

The estimates presented below are derived from the detailed mineral resource and reserve st