

# Our Mineral Resources and Mineral Reserves





Sustaining, developing and growing the mineral asset base by employing responsible and innovative technical management.

**UNLOCKING VALUE AT OUR OPERATIONS**

Our Mineral Resources and Reserves chapter summarises the content in the CMRR report available on our website. It outlines Exxaro's Coal Resources portfolio, exploration plans, and plans to unlock value through our Coal Resources and Reserves strategy.

# Our Mineral Resources and Mineral Reserves

## OUR RESOURCES AND RESERVES

Exxaro continuously strives to enhance the level of estimation and reporting of our Resources and Reserves. Our estimation and reporting strategy focuses on sustaining our mineral asset base by employing responsible and innovative technical management. Value extracted from the mineral assets is continuously reviewed with mine planning, considering evolving knowledge of the mineral asset’s geological complexities and its opportunities.

Our projects, operations and expansion initiatives are built on trusted and assured Resources and Reserves, creating a platform for the Life of Mine (LoM) from which annual business plans are derived. The Resource managers of each operation are the custodians of the LoM and ensure professional execution of the business plans, stimulating profitability and return on investment while guarding against irresponsible exploitation.

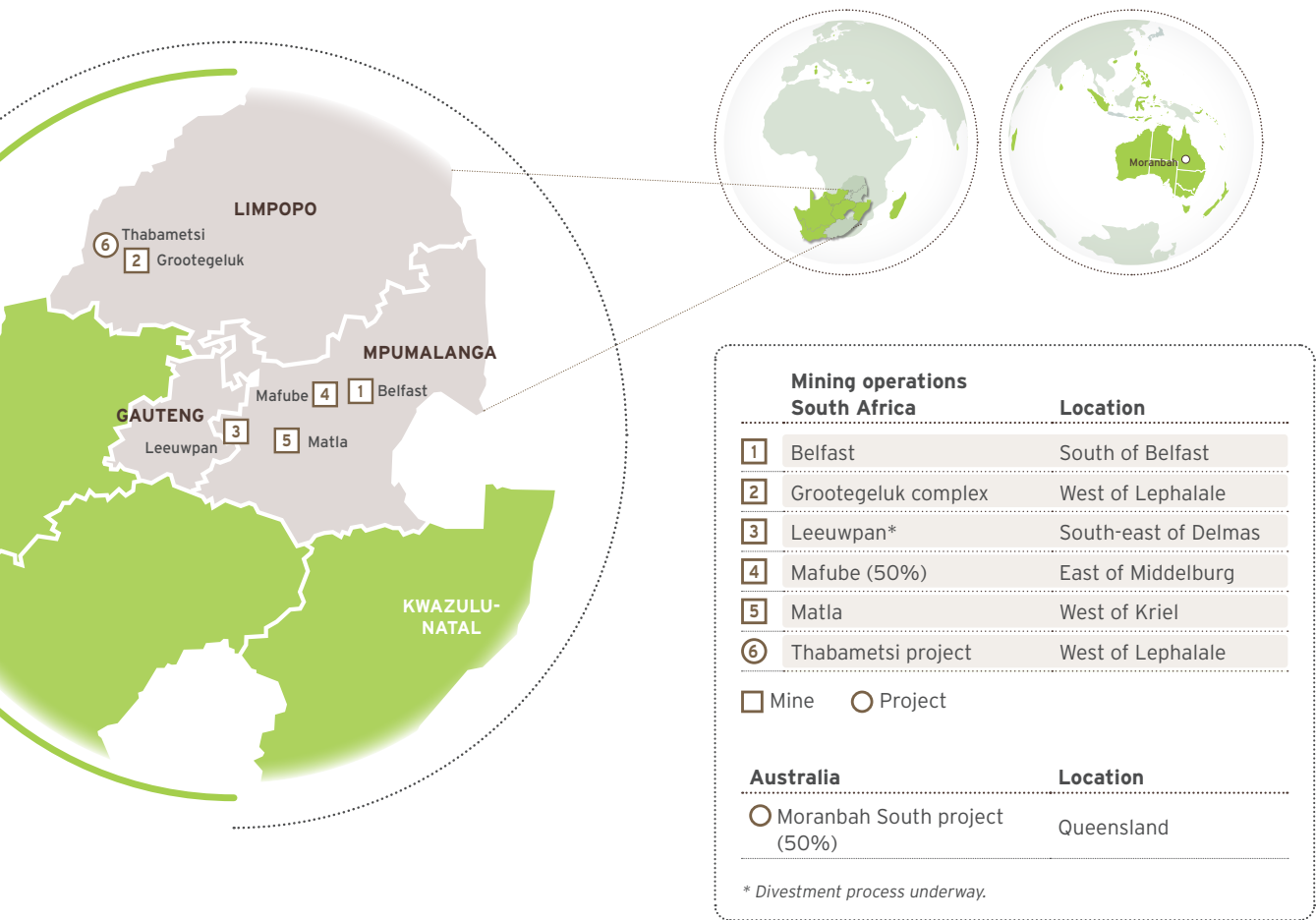
## HOW DO WE REPORT?

Our Resource and Reserve statements, explanations on how we report (governance, assurance, competence and estimation) as well as comprehensive descriptions of our operations are aligned with the JSE Listing Requirements (section 12:13) and captured in our CMRR, a supplement to this report and available on the Exxaro website at <https://www.exxaro.com/>.

Our Coal Resources and Coal Reserves were estimated on an operational or project basis, and in line with the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves, 2016 edition (SAMREC Code) for African coal properties and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves, 2012 edition (JORC Code) for the Australian coal property. The Exxaro annual estimation and reporting process is managed through the Exxaro geosciences as well as LoM policies and associated Coal Resource and Coal Reserve reporting and estimation procedures.

## OPERATIONS WE REPORT ON

Exxaro reports Resources and Reserves estimates directly under its management’s control and includes estimates for entities in which we hold a 25% interest or more. For projects and operations mentioned in the CMRR report but in which Exxaro does not have management control, the reader is referred to that company’s website.



## COMPETENCE

Exxaro's Coal Resources and Coal Reserves have been estimated or supervised by the competent persons supported by technical specialists and guided by corporate appointed lead Resource and Reserve Competent Persons.

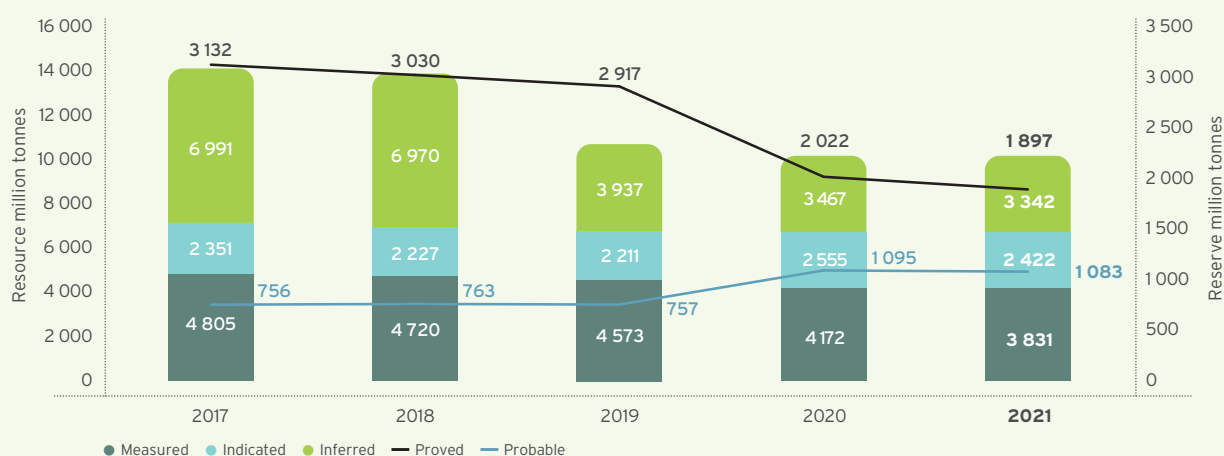
The various appointed competent persons are full-time employees at their applicable operation and their names, affiliation and relevant experience are provided in the CMRR.

## ASSURANCE

Assurance is implemented in terms of a three-tier system. Tier 1 assurance is conducted in parallel with our estimation processes by internal/peer technical specialists to ensure estimates with integrity. Tier 2 assurance consist of internal reviews conducted on operations or projects when deemed necessary at any point in time to ensure compliance. Tier 3 reviews are comprehensive external Resource and Reserve reviews conducted on a three-year operational cycle.

## OUR ESTIMATES FOR THE REPORTING YEAR

Exxaro's attributable Coal Resources and Coal Reserves



### Notes:

- Resource estimations are based on the latest available geological models, which incorporate new validated geological information and, if applicable, revised seam, Resource definitions and Resource classifications. For the 2021 reporting cycle, estimates reported are derived from actual mining up to the end of October, incorporating the planned estimates for November and December.
- Resource and Reserve estimates in our statements are quoted in full, irrespective of Exxaro shareholding. Exxaro attributable tonnage is clearly presented in the image above and, when used in our report, always clearly defined as such.
- Rounding off of figures quoted may result in minor computational discrepancies although it is not deemed significant.



### Material movement in total Coal Resources

- Divestment of Exxaro Coal Central (ECC). Decrease of 556Mt.
- Matla – ~13% decrease due to mining and the removal of remnant coal blocks not meeting prospects of eventual economic extraction criteria (111Mt). No impact on the Reserve.

### Material movement in total Coal Reserves

- Divestment of Exxaro Coal Central (ECC). Decrease of ~95Mt.
- Mafube – 10% decrease is the result of mining (5.2Mt).

A decrease 6% of our total Coal Resource is primarily the result of mining depletion at our operations, the divestment of Exxaro Coal Central (ECC\*) and a material change at Matla mine due to the movement of 111Mt of 2 Seam and 4 Seam Coal Resources located outside the LoM, to Inventory. These Coal Resources are remnant and blocks isolated due to infrastructure and/or accessibility constraints.

Our total Coal Reserves decreased by 4% mainly due to the divestment of ECC\* and normal mining at the various operations.

The divestment from ECC\* decreased the total Exxaro Coal Resources by ~556Mt and the total Reserves by ~95Mt. The decrease is however masked by the significant amount of Coal Resources and Reserves held within the Waterberg coal assets.

For all other operations, other than normal life of mine (LoM) depletion, no material changes to the Coal Resource and Reserve estimates are reported.

\* Divestment concluded in September 2021.