

Foreword

Exxaro continuously strives to enhance the level of estimation and reporting of Mineral Resources and Mineral Reserves. The group is committed to the principles of transparency, materiality and competency in reporting its Mineral Resources and Mineral Reserves.

The information in this report is aligned with section 12.13 of the JSE Listings Requirements and encapsulates information on reporting governance, competence, tenure, risk, liabilities and assurance as well as auxiliary descriptions of applicable projects, operations and exploration activities.

Mineral Resources and Mineral Reserves were estimated by Competent Persons 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 properties (coal), with the exception of the Vedanta Resources base metal property, and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves, 2012 edition (JORC Code) for Australian (coal) and the Vedanta Resources property.

For Coal Resources and Coal Reserves under Exxaro management's control, estimation is in line with the South African National Standard: South African National Standard 10320:2020, edition 2, guide to the systematic evaluation of Coal Resources and Coal Reserves (SANS 10320). Mineral Resource and Mineral Reserve estimates are quoted in full, irrespective of Exxaro's shareholding. The report primarily encompasses all aspects relating to Exxaro's coal estimation and reporting. Therefore, we predominantly refer to Coal Resources and Coal Reserves throughout the report. We also use Mineral Resources and Mineral Reserves to collectively refer to coal, base metal and iron ore estimates.

Exxaro reports Mineral Resource and Mineral Reserve estimates directly under management's control and for entities in which we hold a minority interest. Supplementary descriptions are provided for projects and operations directly under management's control. For projects and operations mentioned in the report over which Exxaro has no management control, please refer to the relevant company's website, as shown below, for supplementary information. This approach ensures maximum compliance with the principles of materiality and transparency.

Anglo American (Moranbah South project): www.angloamerican.com/investors/annual-reporting

Thungela Resources (Mafube): <https://www.thungela.com/>

Kumba Iron Ore (Kolomela and Sishen): www.angloamericankumba.com/investors

Vedanta Resources base metal operations and projects (Black Mountain and Gamsberg): www.vedantaresources.com/investor-relations/

Feedback

We encourage and welcome feedback from our stakeholders. Please send any comments or suggestions to:

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Certification by group company secretary

In terms of section 88(2)(e) of the Companies Act, 2008 (Act 71 of 2008), as amended (Companies Act), I, Andiswa Ndoni, in my capacity as group company secretary, confirm that, to the best of my knowledge, for the year ended 31 December 2022, Exxaro Resources Limited (Exxaro) has filed with the Companies and Intellectual Property Commission all such returns and notices as required of a public company in terms of the Companies Act, and that all such returns and notices appear to be true, correct and up to date.

The directors do not know of any legal impediments or other material conditions that may have an influence on the rights to explore or mine.



Andiswa Ndoni
Group company secretary
Pretoria
14 April 2023

Certification by lead Competent Persons

The Exxaro executive management team appoints the lead Competent Persons.

The Exxaro lead Coal Resource Competent Person is Henk Lingenfelder, who is a member of the Geological Society of South Africa (GSSA) and professionally registered with the South African Council for Natural Scientific Professions (SACNASP). He has a BSc (Geology) (Hons) and 27 years of experience as a geologist in coal, iron ore and industrial minerals.

The person in Exxaro designated to take corporate responsibility for Coal Resources, Henk Lingenfelder, the undersigned, has reviewed and endorsed the reported estimates.



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The Exxaro lead Coal Reserve Competent Person is Chris Ballot, a mining engineer registered with the Engineering Council of South Africa (ECSA). He has 26 years of experience in various technical and management roles in iron ore, mineral sands and coal. His qualifications include BEng (Mining), GDE and MBA.

The person in Exxaro designated to take corporate responsibility for Coal Reserves, Chris Ballot, the undersigned, has reviewed and endorsed the reported estimates.



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Both parties are in the full-time employment of Exxaro; Henk Lingenfelder as the group manager: geosciences and Chris Ballot as the group manager: mining. Both parties consented to the inclusion of the Resource and Reserve estimates in the 2022 integrated report. Exxaro has written confirmation from the Competent Persons (Table 2) that the reporting complies with the SAMREC Code, the relevant portions of Table 1 and the JSE Listings Requirements (section 12:13), and that they consent to the publication of the report in the form and context in which it was intended.

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Performance at a glance

Exxaro continuously strives to enhance the 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. We continuously review the value extracted from mineral assets with mine planning, considering knowledge of the mineral asset's geological complexities and its opportunities.

Achievements



The application and/or update of new geological models and subsequent update of mine plans at five operations.



Updated Grootegeluk mine's life of mine plan (LoMP), ensuring the integration of backfill and mining activities within a consolidated plan, which enables detailed material destination scheduling.



Reserve reporting, for the first time, from Open Cut Coal Solution (OCCS) and Underground Coal Solution (UGCS) mine planning software for Grootegeluk and Matla mines, respectively.

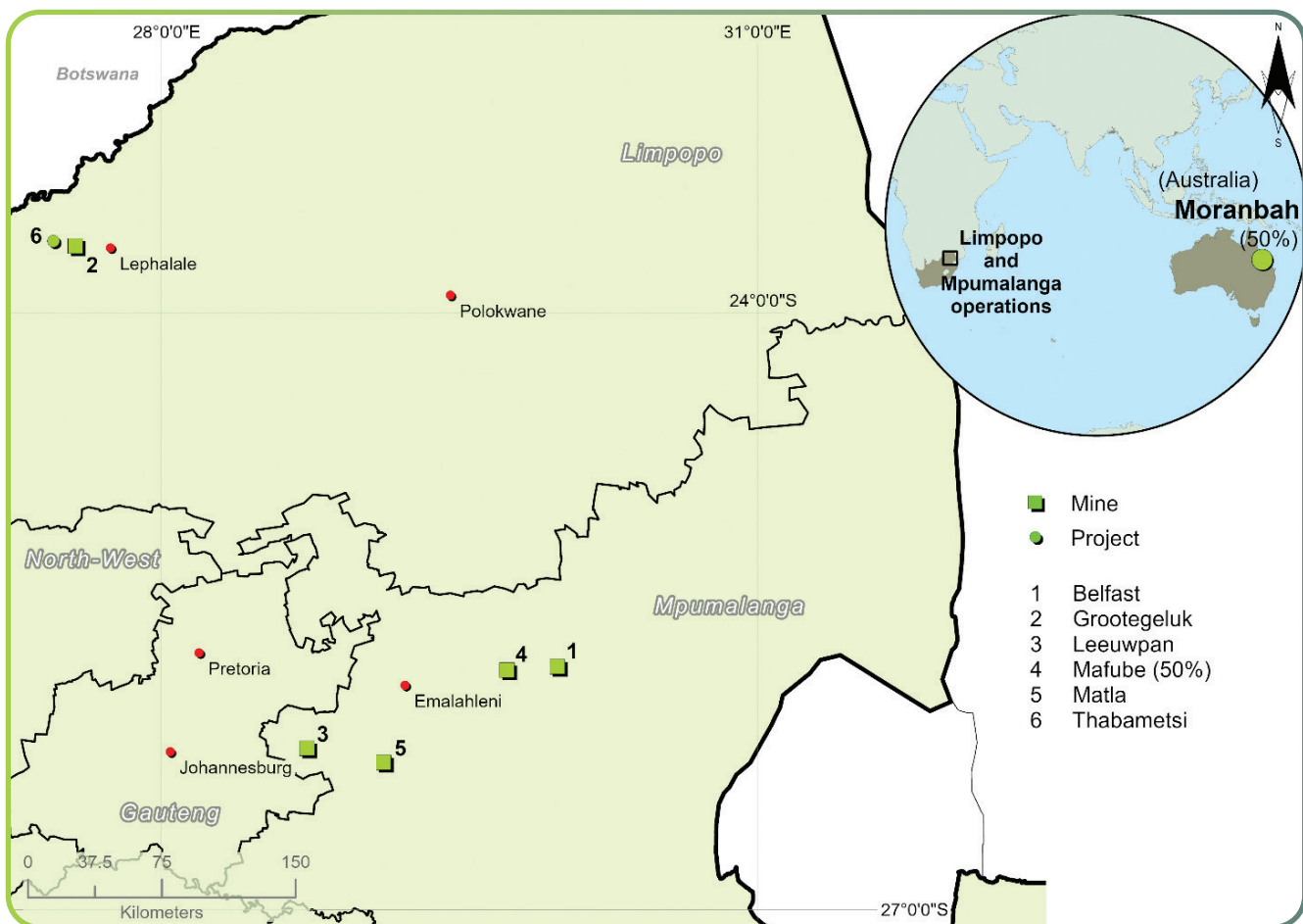


The Matla team's ongoing innovative efforts to unlock additional ground for mining while the delays in the life expansion projects are addressed.



Progress on the studies conducted at our coking coal Moranbah South project in Australia.

Figure 1: Locations of our coal operations and projects



Strategy and overview of estimates

Exxaro's world-class Coal Resource portfolio comprises fully and jointly owned operations and projects in South Africa and Australia. Our fully owned operations and projects in South Africa are in the large and highly prospective Waterberg coalfield in Limpopo and the more mature Highveld and Witbank coalfields in Mpumalanga.

Our **Coal Resource and Coal Reserve estimation strategy** focuses on providing trustworthy estimates by employing responsible and innovative technical management principles. Our Competent Persons are the custodians of the mineral assets and are therefore accountable for ensuring the integrity of our Resource and Reserve estimates by applying pioneering technology and trusted knowledge and experience. Our projects, operations and expansion initiatives are built on these trusted and assured Coal Resources and Coal Reserves, creating a platform for the LoMP from which annual business plans are derived. The Mineral 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.

The early value coal exploitation plans supporting our **Sustainable Growth and Impact strategy** are implemented at all our operations. Our technical teams now focus on value optimisation within the framework of these plans. The effort is clearly demonstrated in the application and/or update of new geological models and subsequent updates of mine plans at five of our operations.

On-mine **exploration** campaigns conducted during 2021/2022 targeted areas of geological complexity, explored for additional mining ground in facing life extension project delays, and enhanced our level of confidence of the geology in the short to medium term and LoMPs.

New information at our flagship **Grootegeeluk** mine was crucial in updating the 2022 LoMP, compiled with OCCS software. Several significant achievements with this new plan were reached. Strategic backfill is a vital aspect in the effective execution of Grootegeeluk. New information distinguishing between the various overburden material types contributed to integrating the backfill and mining activities into a consolidated plan, enabling detailed material destination scheduling. The plan made provision for a sump strategy for effective in-pit water management which addressed a historical operational challenge within the large open pit. The plan includes consolidation and redefinition of certain waste mining benches based on economical and practical considerations. This change improved mining activity sequencing to ensure the continuous supply of suitable material to all specified destinations. The conclusion of the integrated plan is an exceptional achievement for Exxaro. As outlined last year, we evaluated the potential of the Thabametsi mining right, a large Coal Resource adjacent to our Grootegeeluk mine, after the cancellation of the associated independent power producer (IPP) project. Exxaro has compiled a consolidation plan which will be submitted to the applicable authorities for approval.

New exploration information was valuable at our **Matla** mine, where three mine expansion projects are in various stages of implementation. These development projects contain an estimated 83% of Matla Coal Reserves. Timely funding and execution are vital to enable suitable run of mine (RoM), as the impact of current delays is demonstrated in this year's decrease in production figures. In two mining areas, horizontal and vertical

exploration drilling contributed to identifying additional ground for mining, while project delays were addressed. Mining is continuing at Mine 3 Seam 4 (S4) (initially earmarked to cease mining in 2018) and Mine 2 Seam 2 (S2) (initially earmarked to cease mining in 2020), because the team applied innovative exploration and short-term mine planning to identify additional mining blocks under challenging conditions.

Studies to fully optimise the licence to mine area are progressing well at our **Belfast** mine, with the conclusion of exploration work to the north of the current operations. Work is ongoing to complete the exploitation plan and to obtain applicable environmental and access approvals. Production at the mine came under pressure in the second half of the year due to challenges relating to the performance of the mining business partner. We are addressing these challenges.

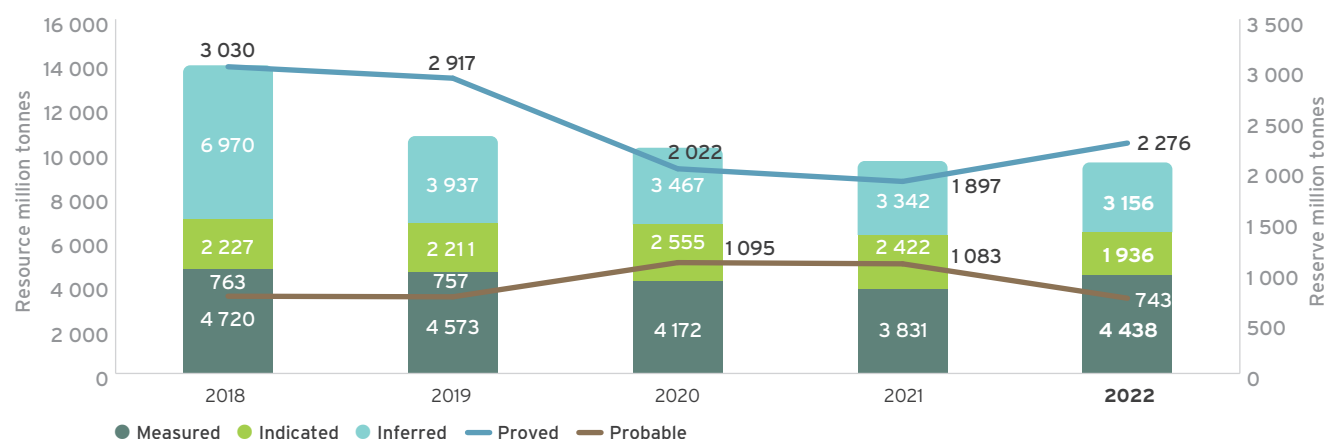
We obtained new information during the exploration campaign, specifically after approval was received to drill the Rooipan area, that contributed to the review and update of the **Mafube** LoMP. The update considers the practical and economic viability of Reserve areas previously excluded, as well as the Rooipan area, for which legislative submissions have been completed.

Progress on studies at our high-value coking coal **Moranbah South project**, located in the Bowen Basin, eastern Australia is on track. The joint venture (JV) conducted several surface-to-seam and vertical drill holes as well as an airborne-magnetic geophysical survey to validate the geological structural interpretation and to enhance the coal quality characterisation. Ongoing exploration information will contribute to the exploitation plan we are developing for this project.

We continuously strive to enhance the level of estimation and reporting of Resources and Reserves, committed to our **governance structures and associated assurance processes**. In 2022, we conducted internal reviews during the update of the geological and structural models at three of our operations (two models were concluded in 2021, although not used) as well as during the update of five LoMPs. We noted findings and implemented and signed off on corrective measures before proceeding with any subsequent estimation processes. We conducted technical reviews on development projects with specific focus on the estimation that underpins these projects. We reviewed the Grootegeeluk alternative mining solution (AMS), Belfast's pit 4 and life expansion and the Moranbah South project. Two comprehensive audits on Coal Resource estimation were conducted on the Belfast and Grootegeeluk operations. No findings that could materially impact our estimates were reported. We however noted and are implementing actions to address minor findings to increase the effectiveness of our estimation practices and compliance to our internal procedures. PwC conducted an audit on our internal Resource and Reserve estimation process and no critical findings were reported. We submitted a summary of our exploration information for the reporting year to the Council for Geosciences considering the recently promulgated Geosciences Act regulations in March 2022.

Strategy and overview of estimates continued

Figure 2: Exxaro's attributable Coal Resources and Coal Reserves



Tonnages are quoted in metric tonnes and million tonnes is abbreviated as Mt

Our total **attributable Coal Resource** decreased by 1%, primarily due to mining that was offset by new exploration information acquired at our various operations. On-mine drilling increased the level of geological confidence, resulting in material movements from Inferred to Indicated and to the higher confidence Measured category.

Our total **attributable Coal Reserve** increased by 1%, primarily as a result of updated LoMPs.

Two operations reported material changes in total Coal Resources and/or Coal Reserves. A ~23% increase in total Coal Resources at Mafube mine is the result of new exploration information and the movement of the Rooipan area from Inventory to Coal Resources based on environmental approvals received to drill within this area. The significant increase (~144%) in the total Coal Reserves is the result of an updated LoMP that includes the MGF and MGA

Reserve areas, as well as the Rooipan area after consideration of the successful submission of the integrated water use licence (IWUL) application. The Reserves within Rooipan are reported as Probable, pending the approval of the IWUL application.

A 15% decrease in Coal Resources at Leeuwpaan mine is due to mining and disposals resulting from re-interpretation and subsequent reclassification of coal material outside the LoMP during the geological modelling process.

For all other operations, other than normal LoM depletion, no material changes to the total attributable Coal Resource and Coal Reserve estimates are reported. We do not know of any pertinent technical and operational risks or other material conditions, other than those declared in the Ancillary section, that may impact the company's ability to mine or explore.

Figure 3: Exxaro's performance

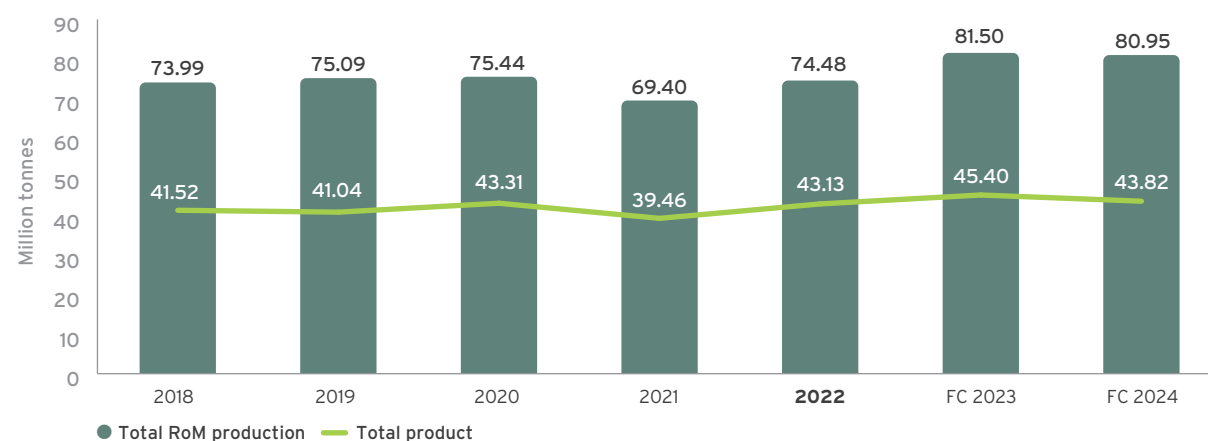


Figure 4: Locations of Matla projects

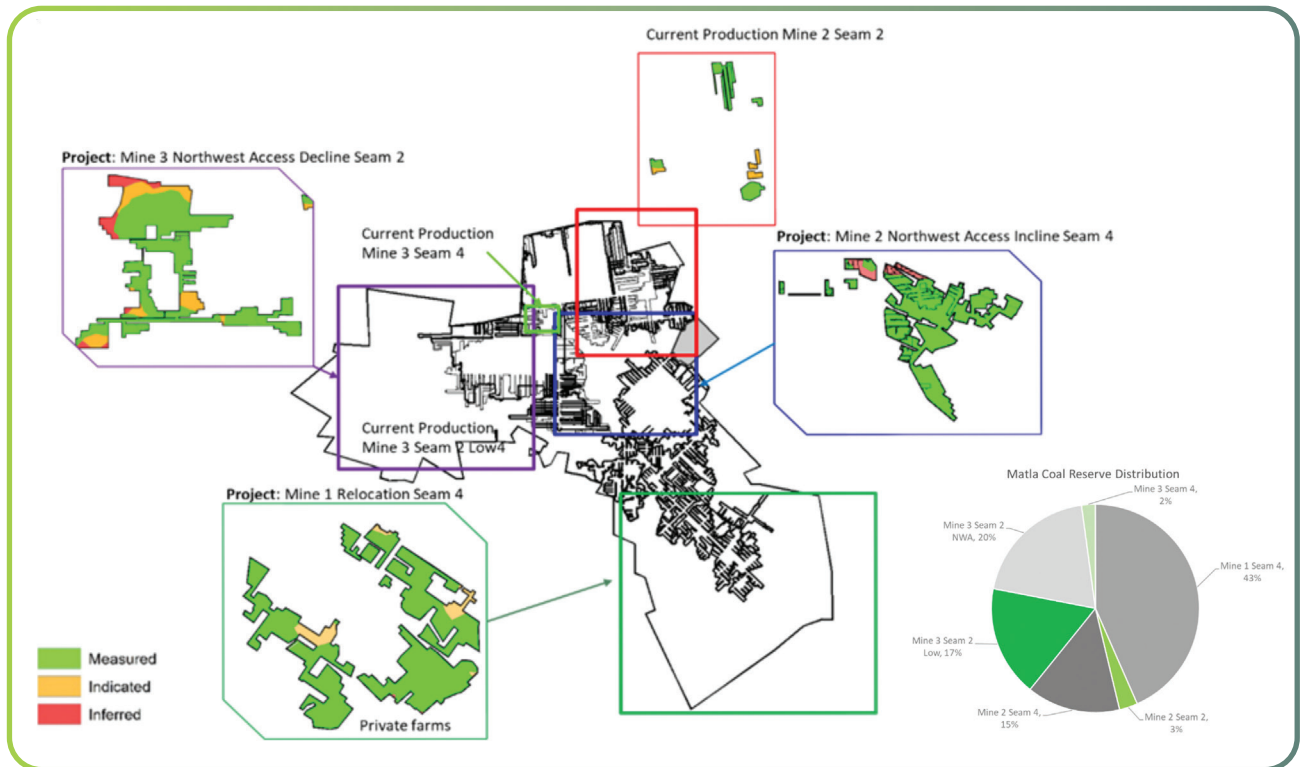


Figure 5: Grootegeluk LoM

