

## 5 RISK, LIABILITY AND ASSURANCE

Assurance is implemented on a three-tier system, aligned with the guidelines of the Exxaro mineral resource and reserve reporting procedure and summarised as follows:

<b>TIER 1</b>	➤ Resource and reserve estimation is undertaken as per Exxaro's governance framework. Sign-offs are required at each stage and the process is concluded in a formal sign-off session by a panel comprising Exxaro lead resource and reserve competent persons, competent persons, domain experts and technical specialists. Technical assurance is managed against dedicated standards.
<b>TIER 2</b>	➤ Internal reviews scheduled on a three-year cycle. The intent is to verify compliance with Exxaro's governance framework while ensuring accountability and consequence management.
<b>TIER 3</b>	➤ External audits scheduled on a three-year cycle and entailing a full review of the resource and reserve estimation process, from drillhole logging to reserve evaluation.

In 2016, tier 1 assurance was undertaken for Matla, Leeuwan and Glisa coal mines. The resource fact packs for these operations/projects indicated that an update or review of the resource estimate was required, either due to additional information being available or on recommendations from audits.

On tier 2, resource and reserve reviews of Grootegeluk (geological and structural model), Dorstfontein, Forzando and Mafube (expansion) were concluded. In addition, reviews of large LoMP projects were conducted for GG6 expansion project

(Grootegeluk mine), TIPP 2 (Thabametsi project), Leeuwan (OI) optimisation (Leeuwan mine), Dorstfontein West expansion and North-West (NW) access (Matla mine). Recommendations are documented and corrective measures are scheduled and tracked.

Planning for tier 1, 2 and 3 has been scheduled for 2017. Tier 3 audits are scheduled for Grootegeluk and Forzando mines as per Exxaro guidelines.

