

2 TENURE

Mineral resources and reserves quoted for Exxaro-managed assets fall within existing Exxaro mine or prospecting rights. Rights are of sufficient duration (or convey a legal right to convert or renew for sufficient duration) to enable all reserves to be mined in accordance with current production schedules. The only exceptions are the Grootegeluk (executed March 2011 for 30 years), Matla (executed March 2015 for 10 years) and Forzando (executed June 2013 for 16 years) operations where adequate reserves exist for LoMPs extending well beyond the period for which they were granted. Significant developments within the mineral right authorisations are discussed.

The status of prospecting and mining rights indicating the right type, name, reference number, status, expiry date and ownership (% attributable to Exxaro) is presented in appendix A, table 12 and table 13.

The converted mining right for Arnot mine is executed but registration is pending. The right was timeously submitted for registration but referred back to correct historical property naming conventions. The corrections were made and the right was resubmitted for registration. The converted mining right of Matla mine was executed in March 2015 and timeously submitted for registration, which is pending.

The converted mining right and adjacent new mining right at Leeuwan mine have both been executed and submitted for registration. Approval of a section 102 (ministerial consent) submitted to amalgamate the two rights is pending. All environmental approvals for the strategic Leeuwan OI reserve were submitted timeously and Exxaro has a reasonable expectation that approvals will not be withheld.

North Block Complex (NBC) includes the mining areas of Glisa (converted mining right), Strathrae (converted mining right) and Eerstelingsfontein, an executed new mining right. Environmental approvals for Eerstelingsfontein have been granted and approval for renewal of the mining right, timeously submitted in March 2013, is pending. In addition, a renewal for a prospecting

right and an application for a new mining right for the Glisa South project area, adjacent to Glisa mine, was submitted in November 2013. An appeal, currently being addressed through the regional mining development and environment committee, is in progress.

A section 11 of the Inyanda coal mine, ceding approval to a new owner, has been approved. The coal reserves were depleted in 2015 and mine rehabilitation has been concluded.

A new mining right for Thabametsi, a project adjacent to Grootegeluk, was granted in June and registered in July 2016. A section 11 was submitted for the Waterberg South project, aligned with a specific commercial agreement. Approvals for both the prospecting right renewal and the section 11 are pending. Exxaro has a reasonable expectation that the right will be granted in the first part of 2017 based on full compliance and adjacent Exxaro project right approvals received.

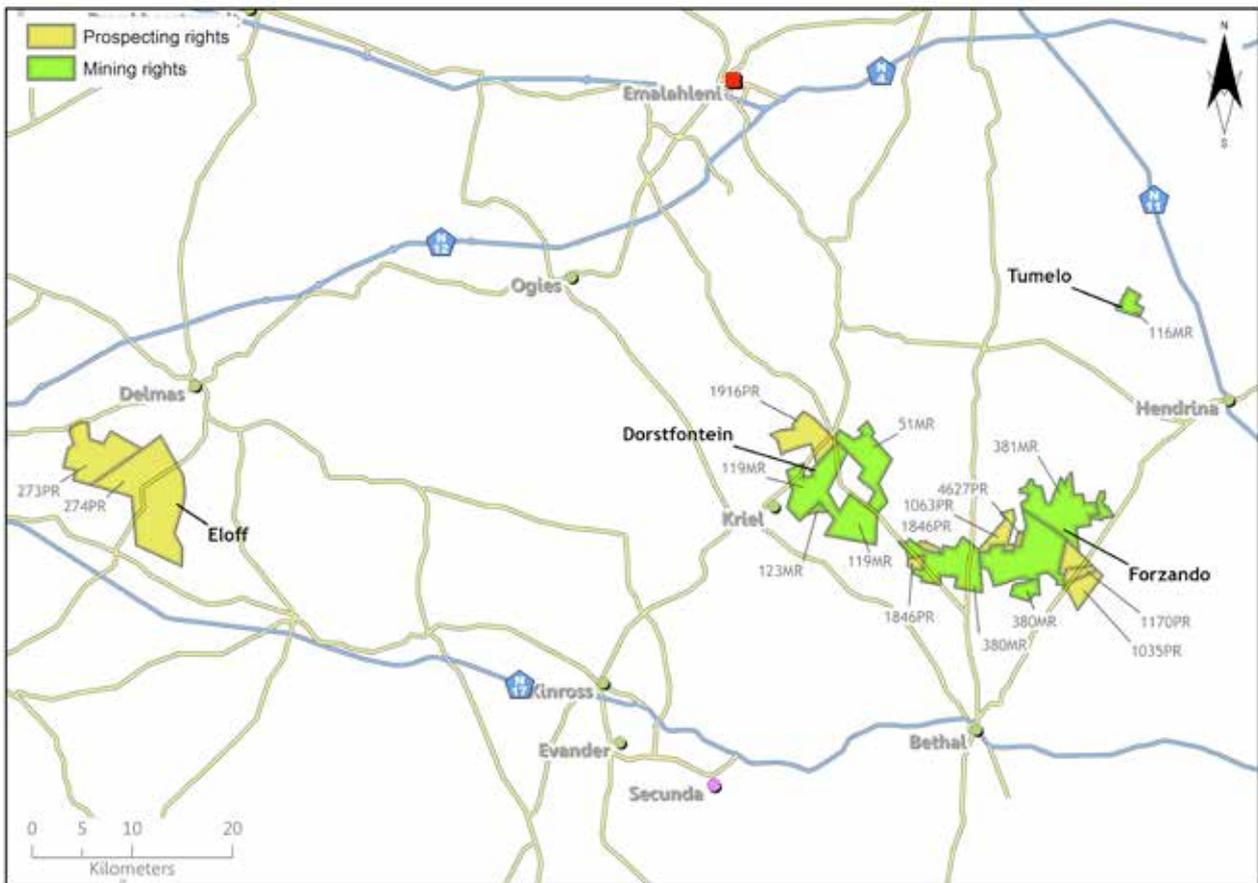
The Moranbah South project area in Australia includes two mineral development licences (MDLs 277 and 377) and two exploration permits for coal (EPCs 548 and 602). The current terms of both mineral development licences will expire in 2018; MDL 277 on 31 July 2018 and MDL 377 on 30 September 2018. The current term of EPC 548 expires on 22 February 2017 (renewal application lodged 11 November 2016). The current term of EPC 602 expires on 31 December 2018. Exxaro has a reasonable expectation that approval of the renewal of EPC 548 will not be withheld. Exploration activities comply with all licence requirements.

The Dorstfontein Complex comprises three mining rights. The mining rights of Dorstfontein West (123MR - executed June 2012), Dorstfontein West and Vlakfontein (119MR - executed June 2012) and Dorstfontein East (51MR - executed June 2006) were granted for 30 years. A section 102 application for inclusion of the Rietkuil Vhakoni (1916PR) prospecting right into the Dorstfontein West mining right was timeously submitted in July 2015 and the approval is currently pending.



2 TENURE (CONTINUED)

Figure 5: Locality map for ECC mining and prospecting rights



The Forzando Complex consists of two mining rights, Forzando South (380MR) and Forzando North (381MR), both executed in June 2013 for 16 years. A section 102 application for inclusion of the Forzando West (1066PR) prospecting right into the Forzando South mining right was granted in the reporting year, and execution of the right is pending. The application for renewal of the prospecting right of Legdaar (1846PR) was submitted in early 2015 and approval is pending.

ECC holds a 51% interest in the Eloff prospecting right, near the town of Delmas and close to Exxaro's Leeuwan operation. A mining right application, compiled in the reporting year, was submitted in the first quarter of 2017.

ECC also holds a 49% interest in the prospecting right of Schurvekop (1063PR) of which Mmakau Coal is the majority owner. A mining right was submitted by Mmakau Coal in the third quarter of the reporting year. The legislative process following the mining right submission is on schedule.