TRONOX INC
Form S-4/A
February 07, 2012
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As filed with the Securities and Exchange Commission on February 7, 2012

No. 333-178835

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1

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)	16,382,432 shares	Not Applicable	$1,945,413,800(3)	$222,944.42
Exchangeable Shares, par value $0.01, issued by Tronox Incorporated (Exchangeable Shares) and exchangeable on a one for one basis into Class A Shares	2,457,365 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) 16,382,432 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 December 27, 2011. 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.

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.

This joint registration statement is being filed in connection with the transactions contemplated by the Transaction Agreement, dated as of September 25, 2011 by and among Tronox Incorporated, Tronox Limited, Exxaro Resources Limited and certain of their respective affiliates. The parties expect to amend the Transaction Agreement to reflect an additional internal merger and certain corporate restructurings, among other revisions. Accordingly, the descriptions of the Transaction Agreement and the transactions contemplated thereby contained in this Registration Statement, including all references to the Mergers, reflect these expected amendments.

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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 FEBRUARY 7, 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, 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 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, any stockholder of Tronox Incorporated who does not elect to receive Exchangeable Shares 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 15,235,360 Class A Shares, assuming no Tronox Incorporated stockholders elect to receive 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 .

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 35.

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 business and financial 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:

Tronox Incorporated

3301 N.W. 150th Street

Oklahoma City, Oklahoma 73134

Call toll-free: or

call collect: (405) 775-5000

Email:

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 323.

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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 any stockholder of Tronox Incorporated who does not elect to receive Exchangeable Shares in the Mergers 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 and entitled to vote at the Tronox Incorporated special meeting as of the record date, 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;

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

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 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 (the parties expect to amend the Transaction Agreement to reflect an additional internal merger and certain corporate restructurings, among other revisions. The descriptions of the Transaction Agreement and the Transaction contained herein, including all references to the Mergers, reflect these expected amendments);

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;

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

Unissued Share Merger Consideration means Class A Shares required to be issued as consideration in the First Merger (excluding any Class A Shares required to be issued on conversion of Exchangeable Shares), but which have not been issued.

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$0.94 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 January 15, 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)]**
June 30, 2011	6.89	6.76
June 30, 2010	7.53	7.63
December 31, 2010	7.33	6.62
December 31, 2009	8.42	7.38
December 31, 2008	8.27	9.35

*(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.

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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 or (ii) one Exchangeable Share (subject to 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. The Exchangeable Shares will not be transferable until after December 31, 2012 but the Class A Shares, including those deliverable upon the exchange of an Exchangeable Share, will be transferable. We refer to the consideration to be received by holders of Tronox Incorporated common stock in the Mergers as the Transaction Consideration in this proxy statement/prospectus. Unless you elect to receive Exchangeable Shares, 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) one Class A Share and an amount in cash equal to $12.50 without interest or (ii) one Exchangeable Share (subject to 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 one Class A Share and an amount in cash equal to $12.50 without interest. Unless you elect to receive Exchangeable Shares, you will receive Class A Shares 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. 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 Tronox Incorporated stockholder is being sent an election form and transmittal materials. 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 enclosed 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 form of election 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.

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.

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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 Exchangeable Share Election 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 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 four 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 completion 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 a form of election if I vote against the Merger Proposal?

A: Yes. You may submit a form of election 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 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.

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

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in exchange for the Transaction Consideration. You will receive the Transaction 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.

We will issue Class A Shares or Exchangeable Shares, as applicable, to holders of Tronox Incorporated common stock in uncertificated book-entry form unless the holder requests a physical certificate for its Class A Shares or Exchangeable Shares.

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 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), while 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 converted into a Class A Share and an amount in cash equal to $12.50 without interest. 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 should generally 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 until the Exchangeable Shares are subsequently exchanged for Class A Shares and cash. 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 redeem the Exchangeable Shares for Class A Shares and cash, or (iii) Tronox Limited exercises its right to require Tronox Incorporated to redeem the Exchangeable Shares for Class A Shares and cash.

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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 or redeemed for Class A Shares and cash.
Transferability	The Class A Shares are expected to be listed for trading on .	The Exchangeable Shares will be non-transferable until December 31, 2012.

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. Tronox Limited s proposed constitution (the Constitution) 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

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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.

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.

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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 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 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.

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: The board of directors of Tronox Limited will consider the appropriate location for the operational headquarters but expects that it will be in the United States.

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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.

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) a share of common stock of Tronox Limited and $12.50 in cash, 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.

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.

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.

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.

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Q: Should I send in my share certificates now?

A: You should receive, along with this proxy statement/prospectus, 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 fail to complete the election form or submit your share 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 Class A Shares and cash.

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 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:

Call toll-free: or

Call collect:

Email:

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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 statements of operations for the nine months ended September 30, 2011, and the year ended December 31, 2010, are presented as if the Transaction had been completed on January 1, 2010. The unaudited pro forma condensed combined balance sheet as of September 30, 2011, is presented as if the Transaction had been completed on September 30, 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 the world s fifth-largest producer and marketer 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 first nine months of 2011, we had pro forma net sales of $1.7 billion, pro forma adjusted EBITDA of $620.4 million, and pro forma income from continuing operations attributable to Tronox Limited of $865.2 million. In 2010, we had pro forma net sales of $1.7 billion, pro forma adjusted EBITDA of $335.7 million, and pro forma loss from continuing operations attributable to Tronox Limited of $44.6 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 44% of our total TiO_2 sales volume in 2010. The tables below summarize our 2010 TiO_2 sales volume by geography and end-use market:

2010 Sales Volume by Geography		2010 Sales Volume by End-Use Market	
North America	40.0%	Paints and Coatings	78.0%
Latin America	8.0%	Plastics	19.0%
Europe	22.0%	Paper and Specialty	3.0%
Asia-Pacific	30.0%		

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 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, 2010.

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 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 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 and Richards Bay Minerals, representing approximately 33%, 17% and 14%, 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 in 2010 and have increased again in 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. 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 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 29. 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 Tronox Incorporated stockholders will receive one Class A Share of Tronox Limited and $12.50 in cash for each share of Tronox Incorporated common stock (unless the holder elects to receive Exchangeable Shares in Tronox Incorporated). 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.

Any stockholder of Tronox Incorporated who does not elect to receive Exchangeable Shares will receive Class A Shares in 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:

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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	15,235,360 Class A Shares(1)
	9,950,856 Class B Shares(2)
	25,186,216 total ordinary shares
Warrants to receive Class A Shares outstanding immediately following completion of the Transaction	1,054,981 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 until all Class A Shares intended to be issued by reason of the Mergers have actually been issued. Accordingly, while any Exchangeable Shares exist or there is any Unissued Share Merger Consideration (as that term is defined in the Constitution), 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, Unissued Share Merger Consideration 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 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 symbol	TROX

(1) The amount of Class A Shares 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 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. The statements of operations and balance sheet data, as of and for the combined nine month period ended September 30, 2011 and nine months ended September 30, 2010, have been derived from Tronox Incorporated s unaudited Condensed Consolidated Financial Statements included in this proxy statement/prospectus.

Tronox Limited s unaudited pro forma condensed combined statements of operations for the nine month period ended September 30, 2011 and the year ended December 31, 2010, are presented as if the Transaction had been completed on January 1, 2010. The unaudited pro forma condensed combined balance sheet as of September 30, 2011, is presented as if the Transaction had been completed on September 30, 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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	Nine Months Ended September 30,			Year Ended December 31,			
	2011	Pro Forma	2010	2010	Pro Forma	2009	2008
	(Millions of dollars, except per share)						
Statement of Operations Data:							
Net Sales	$ 1,268.4	$ 1,745.1	$ 891.8	$ 1,217.6	$ 1,681.1	$ 1,070.1	$ 1,245.8
Cost of goods sold	944.4	1,360.4	731.1	996.1	1,538.9	931.9	1,133.4
Gross Margin	324.0	384.7	160.7	221.5	142.2	138.2	112.4
Selling, general and administrative expenses	116.6	103.2	43.2	59.2	52.5	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)	(4.4)	(39.6)	(47.3)	(47.3)		72.9
Income (Loss) from Operations	221.7	295.7	157.1	209.6	137.0	25.5	(83.9)
Interest and debt expense(4)	(24.4)	(48.7)	(39.7)	(49.9)	(75.7)	(35.9)	(53.9)
Gain on liquidation of subsidiary(5)			5.3	5.3	5.3		
Other expense	(0.1)	32.0	(7.2)	(13.6)	(11.9)	(10.3)	(9.5)
Reorganization expense	613.6	613.6	(66.7)	(144.8)	(144.8)	(9.5)	
Income (Loss) from Continuing Operations before Income Taxes	810.8	892.6	48.8	6.6	(90.1)	(30.2)	(147.3)
Income tax benefit (provision)	(4.0)	(33.4)	(3.0)	(2.0)	29.9	1.5	1.8
Income (Loss) from Continuing Operations	806.8	859.2	45.8	4.6	(60.2)	(28.7)	(145.5)
Income (Loss) from Continuing Operations Attributable to Noncontrolling Interest		(6.0)			(15.6)		
Income (Loss) from Continuing Operations Attributable to Tronox Limited		865.2			(44.6)		
Income (Loss) from discontinued operations, net of income tax benefit (provision)(6)	(0.2)		(0.5)	1.2		(9.8)	(189.4)
Net Income (Loss)	$ 806.6		$ 45.3	$ 5.8		$ (38.5)	$ (334.9)
Earnings (Loss) from Continuing Operations per Common Share:							
Basic	$ 45.79	$ 34.35	$ 1.11	$ 0.11	$ (1.77)	$ (0.70)	$ (3.55)
Diluted	$ 44.24	$ 33.58	$ 1.11	$ 0.11	$ (1.77)	$ (0.70)	$ (3.55)
Balance Sheet Data:							
Working capital(7)	$ 404.0	934.0	$ 505.5	$ 483.4		$ 488.7	$ (246.7)
Property, plant and equipment, net(1)	519.0	2,860.0	300.8	315.5		313.6	347.3
Total assets	1,587.9	4,494.9	1,116.1	1,097.9		1,117.8	1,044.5
Noncurrent liabilities:							
Long-term debt(7)	422.6	571.7	420.8	420.7		423.3	
Environmental remediation and/or restoration(8)	0.5		(68.9)	0.6		0.3	546.0
All other noncurrent liabilities	148.8	89.9	47.9	154.0		50.0	125.4
Liabilities subject to compromise			1,050.8	900.3		1,048.4	
Total liabilities	852.3	1,373.7	1,698.3	1,727.9		1,731.0	1,642.0

Total stockholders equity	735.6	3,121.2	(582.2)	(630.0)		(613.2)	(597.5)
Supplemental Information:							
Depreciation and amortization expense	60.9	218.9	37.3	50.1	230.5	53.1	75.7
Capital expenditures	126.2		26.7	45.0		24.0	34.3
EBITDA(9)	895.9	1,160.0	125.3	107.8	217.3	49.0	(207.1)
Adjusted EBITDA(9)	353.9	620.4	148.0	203.1	335.7	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 2 and 3 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 $33.3 million, $32.1 million and nil in the years ended December 31, 2010, 2009 and 2008, respectively, and $2.8 million and $24.9 million in the combined nine month period ended September 30, 2011 and nine months ended September 30, 2010, 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 19 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 2 to the annual Consolidated Financial Statements, environmental remediation and/or restoration liabilities were reclassified to Liabilities Subject to Comprise 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:

	Nine Months Ended September 30, 2011	Nine Months Ended September 30, Pro Forma	2010	Year Ended December 31, 2010	Year Ended December 31, Pro Forma	2009	2008
	(Millions of dollars, except per share)						
Net income (loss)	$ 806.6	$ 859.0	$ 45.3	$ 5.8	$ (59.0)	$ (38.5)	$ (334.9)
Interest and debt expense	24.4	48.7	39.7	49.9	75.7	35.9	53.9
Income tax provision (benefit)	4.0	33.4	3.0	2.0	(29.9)	(1.5)	(1.8)
Depreciation and amortization expense	60.9	218.9	37.3	50.1	230.5	53.1	75.7
EBITDA	895.9	1,160.0	125.3	107.8	217.3	49.0	(207.1)
Reorganization expense associated with bankruptcy(a)	45.5	45.5	66.7	144.8	144.8	13.0	
Gain on fresh start accounting	(659.1)	(659.1)					
Noncash gain on liquidation of subsidiary	(0.2)	(0.2)	(5.3)	(5.3)	(5.3)		
Provision for environmental remediation and restoration, net of reimbursements(b)	(4.5)	(4.5)	(39.6)	(47.3)	(46.4)		72.9
(Income) Loss from discontinued operations	0.2	0.2	0.5	(1.2)	(1.2)	9.8	189.4
Restructuring costs not associated with the bankruptcy(c)							13.5
Pension and post retirement settlement/curtailments						10.0	26.2
Loss on sale of assets		2.4			2.1	(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	1.5	1.3	1.3	24.5	
Fresh start inventory mark-up	35.5	35.5					
Stock-based compensation	7.7	7.7	0.4	0.5	3.0	0.2	0.5
Foreign currency remeasurement	0.9	0.9	4.7	11.8	29.4	15.1	(6.8)
Transaction costs, registration rights penalty and financial statement restatement costs(f)	35.4	35.4					
Other items(g)	6.3	6.3	(6.2)	(9.3)	(9.3)	(3.8)	11.0
Adjusted EBITDA	$ 353.9	$ 620.4	$ 148.0	$ 203.1	$ 335.7	$ 141.5	$ 99.3

(a) Tronox Incorporated has 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 2 and 3 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.

(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 $17.0 million, the registration rights penalty of $2.0 million, fresh-start accounting fees of $2.5 million,

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costs associated with restating Tronox Incorporated s environmental reserves of $5.2 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 $4.3 million.

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

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 more than 50.0% of the outstanding voting securities in Tronox Incorporated.

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 several 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 Treasurer of the Commonwealth of Australia, the South African National Treasury, the Minister of the Department of Mineral Resources of the Republic of South Africa and the antitrust authority in the People s Republic of China.

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, completion of the Transaction is conditioned on the refinancing of, or the consent or waiver of certain debt covenants under Tronox Incorporated s existing credit facilities.

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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;
- 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 consummation of the Transaction is prohibited by any law, regulation or final court order; or
- by Exxaro if the board of directors of Tronox Incorporated 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 Transaction is 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.

	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), while 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 in cash. 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 should generally 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 29, 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;

- Tronox Limited 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 several 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 Treasurer of the Commonwealth of Australia, the South African National Treasury, the Minister of the Department of Mineral Resources of the Republic of South Africa and the antitrust authority in the People s Republic of China. 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.

Tronox Incorporated s failure to refinance its existing indebtedness or to obtain waivers or amendments of the terms of its existing indebtedness could jeopardize Tronox Incorporated s ability to complete the Transaction or result in a default under the terms of such indebtedness.

Completion of the Transaction would constitute a breach of certain covenants contained in Tronox Incorporated s credit facilities, as further discussed under Tronox Incorporated Management s Discussion and Analysis of Financial Condition and Results of Operations Capital Resources. As a result, Tronox Incorporated intends to either refinance its existing indebtedness under its credit facilities or seek a waiver or amendment under its credit facilities with respect to the Transaction, and such refinancing or the receipt of lenders consent to such waiver or amendment is a condition precedent to Tronox Incorporated s obligation to close the Transaction. Tronox Incorporated has obtained committed financing from Goldman Sachs Bank USA to refinance its existing senior term loan debt at, or prior to, completion of the Transaction. Tronox Incorporated s failure to obtain a waiver or amendment under its credit facilities with respect to the Transaction, or close its committed financing, or obtain alternative financing for any reason, could jeopardize Tronox Incorporated s ability to close the Transaction.

Further, if Tronox Incorporated is unable to obtain a waiver or amendment under its credit facilities with respect to the Transaction, close its committed financing or obtain alternative financing for any reason, then Tronox Incorporated could be in breach of its covenants under its credit facilities if it proceeds to complete the Transaction. 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 agreements governing Tronox Incorporated s long-term indebtedness. In addition, the secured lenders under the credit facilities could foreclose on their collateral, which includes equity interests in certain of Tronox Incorporated s subsidiaries, and exercise other rights of secured creditors. Any default under those credit facilities could adversely affect Tronox Incorporated s growth, financial condition, results of operations and ability to make payments on its credit facilities, and could force Tronox Incorporated or Tronox Limited to seek the protection of applicable insolvency laws or other similar proceedings.

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

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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. See Description of the Transaction Documents The Transaction Agreement Agreements of Tronox Incorporated and Exxaro.

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.

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,

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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 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 conversion 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), while the conversion 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. 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 on the exchange of shares of Tronox Incorporated common stock will generally be capital gain or loss, and is calculated by lot where the U.S. Holder owns shares of Tronox

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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.

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.

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 February 1, 2011 (the Fresh Start Reporting Date), 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 (82.3% in 2010, 81.2% in 2009 and 81.4% in 2008), while a majority of Exxaro Mineral Sands s revenue has come from the sale of pigment, titanium feedstock and zircon (83.4% in 2010, 82.9% in 2009 and 75.4% in 2008). 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

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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 the first part of 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.

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 2010, approximately 94% of KZN Sands s and 84% of Namakwa Sands s operating costs were incurred in Rand and approximately 96% of Exxaro 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.

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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	September 2010 September 2011
United States	(0.4)%	1.6%	3.87%
South Africa	7.1%	4.3%	5.7%
Australia	2.1%	2.7%	3.5%

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.

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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
- 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.

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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.

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 is anticipated to be back in operation by the end of first quarter of 2012; however, during this period, operations at KZN Sands will be impaired and the losses suffered may not be completely covered by business interruption insurance, and the furnace many not be fully operational within the anticipated timeframe, which could result in further losses to KZN Sands s business. 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 2010, raw materials used in Tronox Incorporated s production of TiO_2 constituted approximately 34% 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 are expected to increase by approximately an additional 25% in 2012 and in the future 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 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.

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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 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

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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 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.

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Labor costs constituted 11.8% of Tronox Incorporated s TiO_2 production costs (excluding depreciation) and 23.6% of Exxaro Mineral Sands s production costs (excluding depreciation) in 2010. 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 September 30, 2011, approximately 45% 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 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

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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 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 recently suspended populist leader of the ANC

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Youth League, has been at the forefront of the calls for nationalization, as well as calls for the expropriation of white-owned land. Despite Mr. Malema s suspension, 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 force to investigate the feasibility of, and potential policies for, nationalization and is due to report its findings at the ANC s national policy conference in June 2012. The findings are expected to be a key political issue at ANC leadership elections in December 2012, although Mr. Malema s proposals may not be as actively pursued by his successor.

While nationalization of the country s mining sector is not government policy, 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.

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. 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 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.

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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, 2010 and the nine months ended September 30, 2011 which are presented as if the Transaction had been completed on January 1, 2010 and an unaudited pro forma combined balance sheet as of September 30, 2011, presented as if the Transaction had been completed on September 30, 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.

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 September 30, 2011, Tronox Incorporated s total principal amount of debt was approximately $428.4 million. We currently intend to refinance this debt prior to 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 post emergence 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 Incorporated 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 Incorporated s growth, its financial condition, its results of operations and its ability to make payments on its credit facilities, and could force Tronox Incorporated to seek the protection of the bankruptcy laws.

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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;
- 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.

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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.

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 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. Based on its current estimates and forecasts, Exxaro Mineral Sands estimates the royalty for 2011 will be approximately 1.93% 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 ($10.6 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.

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).

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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.

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, any stockholder of Tronox Incorporated who does not elect to receive Exchangeable Shares 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.

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. 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

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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;
- 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 12,950,056 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 2,285,304 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 conversion, 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

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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.

If Tronox Limited experiences material weaknesses 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 its common stock.

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.

We are 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. We may not be able to complete this evaluation, testing and any required remediation in a timely fashion. During the evaluation and testing process, if we identify 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 we are 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.

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 us without the approval of Tronox Limited s board of directors and the approval by Exxaro 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 us 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.

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. Tronox Incorporated stockholders who elect to receive Exchangeable Shares in the Transaction and subsequently request to receive Class A Shares in exchange for their Exchangeable Shares will not receive Class A Shares for 10 to 15 business days after the applicable request is received. During this 10 to 15 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. In addition, the support agreement with respect to the Exchangeable Shares will provide that if the registration statement with respect to the Class A Shares is not current or is suspended for use by the SEC, a holder of such Exchangeable Shares will not be permitted to exchange such Exchangeable Shares for Class A Shares 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 assets from itself and its subsidiaries to subsidiaries of Tronox Limited, which will no longer be assets or subsidiaries of Tronox Incorporated.

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. See The Transaction Material U.S. Federal Tax Consequences of the Transaction Consequences to U.S. Holders Who Receive Exchangeable Shares.

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

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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 nine months ended September 30, 2011 and the year ended December 31, 2010, are presented as if the Transaction had been completed on January 1, 2010. The unaudited pro forma condensed combined balance sheet as of September 30, 2011, is presented as if the Transaction had been completed on September 30, 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 the world s fifth-largest producer and marketer 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 first nine months of 2011, we had pro forma net sales of $1.7 billion, pro forma adjusted EBITDA of $620.4 million, and pro forma income from continuing operations attributable to Tronox Limited of $865.2 million. In 2010, we had pro forma net sales of $1.7 billion, pro forma adjusted EBITDA of $335.7 million, and pro forma loss from continuing operations attributable to Tronox Limited of $44.6 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 44% of our total TiO_2 sales volume in 2010. The tables below summarize our 2010 TiO_2 sales volume by geography and end-use market:

2010 Sales Volume by Geography		2010 Sales Volume by End-Use Market	
North America	40.0%	Paints and Coatings	60.0%
Latin America	8.0%	Plastics	25.0%
Europe	22.0%	Paper and Specialty	15.0%
Asia-Pacific	30.0%		

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

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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 our internal estimates and data reported by TZMI, Exxaro Mineral Sands 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, 2010.

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

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, 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, representing approximately 33%, 17% and 14%, 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 2010 and have increased again in 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. 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 present 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. 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.

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

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performance for some of our sales. Because we are one of the few global TiO_2 producers that is 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.

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

According to TZMI, in 2010, Tronox Incorporated was the world s fifth largest producer and marketer 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

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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.

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 last three years was as follows:

	Year Ended December 31, 2010	2009	2008
	(Millions of dollars)		
U.S. operations	$ 692.8	$ 619.8	$ 823.3
International operations			
The Netherlands	209.0	175.4	185.4
Australia	315.8	274.9	237.1
Total	$ 1,217.6	$ 1,070.1	$ 1,245.8

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 88% of Tronox Incorporated s net sales in 2010. 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, 2010, 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 408,000 tonnes of TiO_2 in 2010. Tronox Incorporated s average production rates for the facilities shown in the table above, as a percentage of capacity, were 91.8%, 90.4% and 88.6%, in 2010, 2009 and 2008, respectively.

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Over the past five years production at Tronox Incorporated s current facilities increased by approximately 3%, 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 2010, Tronox Incorporated purchased approximately 43% of its requirements for titanium feedstock from Exxaro (including Exxaro s 50.0% interest in the Tiwest Joint Venture) and approximately 78% 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 2010 sales volume by geography and end-use market:

2010 Sales Volume by Geography		2010 Sales Volume by End-Use Market	
North America	40.0%	Paints and Coatings	60.0%
Latin America	8.0%	Plastics	25.0%
Europe	22.0%	Paper and Specialty	15.0%
Asia-Pacific	30.0%		

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 2010, Tronox Incorporated s ten largest customers represented approximately 44% of its total sales volume; however, no single customer accounted for more than 9% 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, 2010, 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) projects. 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.

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, 2010, 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 $6.1 million in 2010, $5.0 million in 2009 and $7.7 million in 2008.

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 136 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 year ended December 31, 2010, 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 2011 and 2012.

	Year Ending December 31,		
	2010	Estimate 2011	Estimate 2012
	(Millions of dollars)		
Cash expenditures of environmental reserves	$ 0.1	$ 0.1	$ 0.1
Recurring operating expenses	27.4	28.2	29.2
Environmental capital expenditures associated with ongoing operations	2.7	4.0	8.8

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.

Tronox Incorporated provides for costs related to environmental contingencies when a loss is probable and the amount is reasonably estimable. 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; and

- Additional sites may be identified in the future.

We believe that Tronox Incorporated has reserved adequately for the probable and reasonably estimable costs of known contingencies. 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 to apply fresh start accounting and reporting effective as of the Fresh Start Reporting Date. Fresh start accounting and reporting provisions are to be applied pursuant to ASC 852 and the financial statements as of the Fresh Start Reporting Date and for subsequent periods will report the results of Tronox Incorporated with no beginning retained earnings or accumulated deficit. Any presentation of Tronox Incorporated after the Fresh Start Reporting Date represents the financial position and results of operations of a 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 will be 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 2010, Exxaro generated worldwide revenue of R17,155 million ($2,340 million) and had a net operating profit of R2,636 million ($360 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 2010, Exxaro Mineral Sands produced 284,000 metric tons of titanium slag, 196,000 tonnes of zircon, 90,000 tonnes of synthetic rutile and 57,000 tonnes of titanium dioxide pigment, resulting in combined revenue of R4,640.0 million ($633.0 million), which accounted for approximately 27% 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

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 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 June 30, 2011 and December 31, 2010, the total book value of the South African mineral sands operations and its associated facilities and equipment was approximately R2,843.3 million ($420.6 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 the first six months of 2011 and all of 2010 was approximately R113.0 million ($16.4 million) and R269.0 million ($36.7 million), respectively. Exxaro estimates that, as of June 30, 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 approximately R2,144.7 million ($317.3 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 the first six months of 2011 and all of 2010 was approximately R82.9 million ($12.0 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 2010, the Hillendale mine produced approximately 6.6 million tonnes of ore. The design capacity of the mine is approximately 12 million tonnes per year. In 2010, the Hillendale primary wet plant produced approximately 414,000 tonnes of heavy mineral concentrate. The design capacity of the plant is approximately 931,000 tonnes per year. In 2010, the mineral separation plant at Empangeni produced approximately 286,000 tonnes of final mineral products, including approximately 236,000 tonnes of ilmenite, 33,000 tonnes of zircon and 17,000 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 2010, the smelter at Empangeni produced approximately 132,000 tonnes of titanium slag (113,000 tonnes of chloride process slag and 29,000 tonnes of sulphate process slag) and 82,000 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 is expected to be out of operation for approximately 6 to 8 months to completely re-line the furnace and to upgrade the hearth to a copper plate conductive hearth, 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 (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 ($325.4 million), and Exxaro Mineral Sands has incurred approximately 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

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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.

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.

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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 20,476 hectares of land, of which 17,111 hectares are situated in and around the mine site and 1,741 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). 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 2010, the East Mine produced approximately 7.6 million tonnes of ore and the West Mine produced approximately 11.8 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 2010, the East Mine primary concentration plant produced approximately 585,000 tonnes of heavy mineral concentrate. The East Mine primary concentration plant currently has spare capacity of approximately 11% at a 93% utilization to treat run of mine. In 2010, the West Mine primary concentration plant produced approximately 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 2010, the secondary concentration plant produced approximately 688,000 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 2010, the mineral separation plant produced approximately 408,000 tonnes of mineral products, including approximately 251,000 tonnes of ilmenite, 26,000 tonnes of rutile and 119,000 tonnes of zircon. The mineral separation plant has spare capacity of approximately 18% at a 95% utilization to treat magnetic material and spare capacity of approximately 11% at a 91% utilization to treat non-magnetic material. In 2010, the smelter plant produced approximately 119,000 tonnes of chloride slag, 23,000 tonnes of sulphate slag and 82,000 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.

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Namakwa Sands is estimated to have production reserves through 2030. However, mining activity at Namakwa Sands may be limited and the mine s reserves may be depleted in 2027 if the mining 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), which prohibits any mining activities outside of the border line, is not extended by the DMR. Exxaro TSA Sands submitted an application to extend its mining activities outside of the Environmental Management Program area, except for an environmentally sensitive area of The Kom, on July 15, 2011. Exxaro TSA Sands has not yet received a reply from the DMR.

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.

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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 expects to conduct an 18,000 meter drilling program on the East Mine area in 2011 and 2012. A 125 meter by 50 meter grid is expected to be completed on the West Mine area by 2014.

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 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 2010, the concentrator plants at the Cooljarloo mine produced approximately 741,000 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.

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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 630,800 tonnes of mineral products in 2010 at a utilization rate of 96.9%.

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 180,100 tonnes of synthetic rutile in 2010 at a utilization rate of 84.4%, which was below its average annual capacity due to the triannual shutdown required for the replacement of refractory in the rotary kiln. 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.

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

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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, 2010. 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 statements compiled per operation or project, each representing a comprehensive estimation process conducted by or executed under the supervision of duly appointed resource and reserve competent persons, in accordance with the SAMREC Code for the South African properties and the Australasian Joint Ore Reserves Committee Code (2004) (the JORC Code) for the Australian properties. The standards in the SAMREC Code and the JORC Code differ in certain respects from those under the SEC s Industry Guide 7. For example, the mineral resource and reserve statement below contains disclosures relating to measured, indicated and inferred mineral resource estimates. Measured, indicated and inferred mineral resources, while recognized and required by South African and Australian regulations, are not defined terms under the SEC s Industry Guide 7, and are normally not permitted to be used in reports and registration statements filed with the SEC; however, the statement below is being included in this proxy statement/prospectus pursuant to Instruction 3 to Paragraph (b)(5) of Industry Guide 7 that provides in part, where such estimates have previously been provided to a person (or any of its affiliates) that is offering to acquire, merge or consolidate with, the registrant or otherwise acquire the registrant s securities, such estimates may be included. Accordingly, Tronox Limited s future disclosures of mineral reserves prepared in accordance with the SEC s Industry Guide 7 may differ substantially from the information set forth below.

All competent persons have sufficient relevant experience in the style of mineralization, type of deposit, mining method and activity for which they are responsible. The competent persons who prepared the Exxaro Mineral Sands resource and reserve estimates are as follows: Noxolo Zwane was the resource competent person and the reserves competent person for the Hillendale mine and the reserves competent person for Fairbreeze; Dumi Sibiya was the resource competent person for Fairbreeze, Block P and the Port Durnford project; Carel van Vuuren was the resource competent person and Marthina Alchin was the reserves competent person for the Namakwa Sands mine; and Paul Stevenson was the resource competent person and the reserves competent person for the Cooljarloo mine, the Jurien project and the Dongara project. All of the competent persons who prepared the Exxaro Mineral Sands resource and reserve estimates are employees of Exxaro or the Tiwest Joint Venture and all of the information included in the Exxaro Mineral Sands resource and reserve estimates is attributed to Exxaro.

The mineral resources that fall within Exxaro Mineral Sands s mining and prospecting rights areas are based on models which incorporate all new validated geological information and, if applicable, revised resource definitions and classifications. The Exxaro Mineral Sands resources were reviewed during 2010 to comply with

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the reasonable and realistic prospects for eventual economic extraction in accordance with the SAMREC Code. This definition implies that the competent person made a preliminary judgment regarding technical and economic factors likely to influence the property in terms of eventual and economic extraction. The mineral resources are classified in the inferred, indicated and measured categories according to the degree of geological confidence. Mineral resources are reported inclusive of those that have been converted to ore reserves and are presented as if they are wholly-owned, irrespective of the percentage attributable to Exxaro Mineral Sands.

Exxaro estimates ore reserves using the relevant modifying factors at the time of reporting, which include mining, metallurgical, economic, marketing, legal, environmental and social factors as well as governmental regulatory requirements. Measured mineral resources are converted to proven ore reserves and indicated mineral resources are converted to probable ore reserves, although the competent person may, after due consideration of one or more of the modifying factors, downgrade the classification. For example, the SAMREC Code provides that measured resources may be converted to probable ore reserves in the event that uncertainties associated with any of the modifying factors considered when converting mineral resources to mineral reserves resulted in a lower degree of confidence in the mineral reserves than in the corresponding mineral resources.

Because ore reserves are only estimates, they cannot be audited for the purpose of verifying exactness. Instead, estimated ore reserve information is reviewed in sufficient detail to determine if, in the aggregate, the data provided by Exxaro is reasonable and sufficient to estimate reserves in conformity with the practices and standards generally employed by and within the mining industry and that are consistent with the requirements of the SAMREC Code, for South African operations, and the JORC Code, for Australian operations. The process and calculations associated with the estimates have been audited by an internal competent person and are externally audited when deemed essential.

The Exxaro Mineral Sands mining rights are all of sufficient duration (or convey a legal right to convert or renew for a sufficient duration) to enable all reserves to be mined in accordance with current production schedules.

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The following table summarizes the Exxaro Mineral Sands proven and probable ore reserves and estimated mineral resources as of December 31, 2010, excluding the Gravelotte mining operations and the Letsitele prospecting rights that will not be transferred to Tronox Limited, as discussed above under Properties Gravelotte Mine and Letsitele Prospecting Project.

					Grade				Grade	Composition of THM			
Operation[1]	Date Mine Opened	LoMP (years)[2]	Resource Category[3]	Tonnes[4]	% Ilmenite	% other[5]	Reserve Category	ROM[8]	% THM	% Ilmenite	% Zircon	% Rutile	% Leucoxene
Hillendale	2001	1.5	Measured	33.2	2.97								
			Indicated				Proven[6]	11.6	6.37	54.89	6.88	3.90	2.02
			Inferred				Probable[7]						
			Total	33.2	2.97		Total	11.6	6.37	54.89	6.88	3.90	2.02
Fairbreeze	2014	15	Measured	156.1	4.29								
	(expected)		Indicated	55.7	2.56		Proven	114.3	7.74	62.73	8.52	3.46	1.71
			Inferred	9.0	1.92		Probable	25.4	5.02	56.19	7.81	3.29	1.50
			Total	220.9	3.76		Total	139.6	7.24	61.54	8.39	3.43	1.67
Block P[10]			Measured										
			Indicated	40.6	3.1		Proven						
			Inferred				Probable						
			Total	40.6	3.1		Total						
Port Durnford prospecting project[9,10]			Measured	142.5	3.0								
			Indicated	340.1	2.8		Proven						
			Inferred	466.0	2.5		Probable						
			Total	948.6	2.7		Total						
Namakwa Sands	1995	20	Measured	344.0	3.27	0.82							
			Indicated	385.9[11]	2.07	0.49	Proven	133.1	12.67	28.57	8.45	2.05	4.50
			Inferred	199.5	2.31	0.65	Probable	454.8[11]	9.87	28.06	6.38	1.72	4.05
			Total	929.4	2.57	0.64	Total	587.9	10.50	28.19	6.95	1.81	4.19
Tiwest-Cooljarloo	1989	15	Measured	232.3		2.3							
			Indicated	193.0		1.9	Proven	232.3	2.3	59.2	9.2	5.1	2.8
			Inferred				Probable	58.0	2.1	57.7	9.8	4.8	3.4
			Total	425.4		2.1	Total	290.3	2.2	58.9	9.4	5.0	2.9
Tiwest-Cooljarloo West prospecting project[10]			Measured										
			Indicated	62.3		2.0	Proven						
			Inferred	36.5		2.0	Probable						
			Total	98.8		2.0	Total						
Tiwest-Jurien project		5.2	Measured										
			Indicated	25.6	6.0		Proven						

		Inferred			Probable	15.7	7.9	54.0	10.0	6.8	2.3
		Total	25.6	6.0	Total	15.7	7.9	54.0	10.0	6.8	2.3
Tiwest-Dongara project	9.8	Measured	55.2	4.5							
		Indicated	12.0	4.8	Proven	29.5	7.3	48.6	10.1	7.0	2.0
		Inferred	15.9	4.0	Probable						
		Total	83.1	4.5	Total	29.5	7.3	48.6	10.1	7.0	2.0

1 All extraction methods are open-cut mining operations.
2 LoMP stands for Life of Mine Plan, which means either the total number of years needed to extract reserves from a designed mine pit, or a design and costing study of an existing operation in which appropriate assessments have been made of realistic assumed modifying factors to demonstrate at the time of reporting that extracting is reasonably justified.
3 Mineral resources are quoted inclusive of mineral resources that have been modified to ore reserves.
4 Tonnages are quoted in metric million tonnes. Figures relating to the Tiwest Joint Venture reflect 100.0% of the mineral resources and estimated ore reserves of the Tiwest Joint Venture. The Tiwest Joint Venture is jointly owned by Tronox Incorporated and Exxaro.
5 Other refers to zircon for Namakwa Sands and percentage of total heavy minerals (THM) for the Tiwest Joint Venture operations.
6 Proven reserves means the economically mineable material derived from a measured resource. Proven reserves are estimated with a high level of confidence, include contaminating materials and allow for losses that are expected to occur when the material is mined.
7 Probable reserves means the economically mineable material derived from a measured or indicated resource, or both. Probable reserves are estimated at a lower level of confidence than proven reserves, include contaminating materials and allow for losses that are expected to occur when the material is mined.
8 ROM stands for Run of Mine, which is a mining term that means a stockpile of ore that has been created without any blending or processing, meaning that the ore has been mined and transported to the stockpile location in its original condition. ROM is quoted in millions of tonnes.
9 A renewal for the Port Durnford prospecting right has been submitted. The outcome is still pending.
10 Block P, Port Durnford and Cooljarloo West are exploratory programs without known reserves.
11 A portion of the measured resources at Namakwa Sands were converted to probable reserves due to falling inside the mining right but outside the boundary of the East Mine prospecting right and beneficiation uncertainty.

The following table summarizes the material factors Exxaro used to modify the Exxaro Mineral Sands estimated mineral resources as of December 31, 2010 to ore reserves, as shown in the table above.

Factor	KZN Sands[1]	Namakwa Sands	Tiwest
Mining parameters			
Geological loss	0%	RAS[2]: 2%, OFS[3]: 0%	0%
Dilution	n/a	n/a	6%
Mining loss	n/a	RAS: West Mine, 0%, East Mine, 3%, OFS: All, 0%	1%
Planned averaged slope angles (degrees)	35	45	South Mine: 30 North Mine: 45
Cut-off grade	Hillendale: 1.5% Ilmenite Fairbreeze: 2.0% Ilmenite	0.2% Zircon	1.3% THM
Reconciliation factor[4]			
Ilmenite	1	1	1
Zircon	1	1	1
Rutile	1	1	1
Leucoxene	1	1	1
VHM[5]	n/a	n/a	1.06
Primary wet/processing plant recoveries			
HMC[6] grade[7]	87% > HMC < 92%	90%	95%
Ilmenite	91.2%	n/a	92%
Zircon	93.2%	92%	96%
Rutile	90.2%	n/a	94%
Leucoxene	n/a	n/a	85%
Secondary processing plant recoveries			
Ilmenite	n/a	n/a	94%
Zircon	n/a	84%	98%
Rutile	n/a	78%	96%
Leucoxene	n/a	n/a	91%

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Factor	KZN Sands[1]	Namakwa Sands	Tiwest
Mineral separation plant recoveries			
Ilmenite	80%	80%	97%
Ilmenite (URIC[8])	85%	n/a	n/a
Zircon	83%	74%	81%
Rutile[9]	98%	43%	109%[9]
Leucoxene[9]	n/a	n/a	114%[9]
Yield smelter/kiln			
Titanium slag	55	52	n/a
Pig iron	32	32	n/a
Synthetic rutile	n/a	n/a	n/a
Financials			
Exchange rate[10]	7.65 (R/US$)	7.65 (R/US$)	0.91 (A$/US$)
Price per tonne (in U.S. dollars)			
Ilmenite	105	n/a	177
Zircon	800	850	Bulk: 886; Bagged: 870
Rutile	630	535	Bulk: 530; Bagged: 639
Leucoxene	n/a	n/a	Leu 85: 500; Leu 92: 522
Slag (chloride process)	400	420	n/a
Slag (sulphate process)	260	290	n/a
Slag fines	n/a	n/a	n/a
Pig iron	347	410	n/a
Synthetic rutile	n/a	n/a	n/a
Staurolite	n/a	n/a	79
Other			
Mining/prospecting rights/permits/titles	Approvals	Approvals	Approvals
Environmental approvals	Approvals	Approvals	Approvals
Water use licenses	Approvals	Approvals	Approvals

1 KZN Sands comprises the Hillendale and Fairbreeze operations.
2 RAS stands for Namakwa Sands s red aeolian sand unit.
3 OFS stands for Namakwa Sands s orange feldspathic sand unit.
4 The reconciliation factor represents the geological model to run of mine (ROM)
5 VHM stands for valuable heavy minerals.
6 HMC stands for heavy mineral concentrate.
7 The HMC grade represents the percentage of total heavy minerals (THM) in the HMC.
8 URIC stands for unroasted ilmenite circuit.
9 Tiwest uses a magnetic/electrostatic process combined with x-ray fluorescence to determine mineral assemblage using its proprietary MA98 process. The MA98 process has not yet been modified to match the configuration of the mineral separation plant; therefore, recoveries of greater than 100% are reported.
10 Prices are forward-looking average estimates over future periods.

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Competitive Conditions

The Titanium Feedstock Market

Titanium feedstock is considered to be one product, although it can be segmented based on the level of titanium contained within the feedstock, with substantial overlap between each segment. Different grades of titanium feedstock have similar characteristics and are generally suitable substitutes for one another, therefore, TiO_2 producers source a variety of feedstock grades, and each of the main titanium feedstock producers supply a wide variety of feedstock grades to the TiO_2 producers. At the high end of the scale, synthetic rutile and upgraded slag have been developed as direct substitutes for naturally occurring rutile. Each of these feedstock grades has a titanium content of more than 90.0%. Naturally occurring leucoxene has a titanium content that ranges from approximately 70% to 91% and may also be substituted for naturally occurring rutile. Chloride ilmenite is either used directly in the pigment production process or, more commonly, is upgraded to synthetic rutile. Sulfate ilmenite may also be used directly in the production of sulfate process pigment. Sulfate ilmenite is commonly upgraded to upgraded slag, chloride slag, chloride fines and sulfate slag.

Chloride process pigment producers primarily use naturally occurring rutile, leucoxene and ilmenite, upgraded slag, synthetic rutile and chloride slag. Sulfate process pigment producers primarily use naturally occurring ilmenite, sulfate slag and chloride fines. Ilmenite with a titanium content greater than 50.0% can be used in both the chloride and sulfate pigment production processes.

The majority of titanium feedstock producers supply several different grades of feedstock to the market. The global resources company Rio Tinto plc, for example, offers a comprehensive range of feedstock grades, including natural rutile, upgraded slag, chloride slag, chloride fines and sulfate slag. Iluka Resources Limited has a large presence for the supply of ilmenite, natural rutile and synthetic rutile. Bemax Resources Limited produces and supplies both ilmenite and natural rutile.

The geographic market for titanium feedstock is global in scope, and TiO_2 producers regularly source and transport titanium feedstock from suppliers located around the world. The following table shows the global trade of titanium feedstock during 2010, in tonnes, based on information provided by TZMI and Exxaro s own internal calculations.

EXPORTS	***IMPORTS***					
	Asia-Pacific	**Africa & Middle East**	**Western Europe & Scandinavia**	**Central & Eastern Europe**	**North America**	**Central & South America**
Asia-Pacific		36,081	297,398	91,890	441,929	78,963
Africa & Middle East	448,900		471,095	49,391	1,072,813	41,007
Western Europe & Scandinavia	2,234			145,036		34,097
Central & Eastern Europe	10,051				62,599	27,754
North America	77,911		394,235			
Central & South America			35,504			

The table above shows that approximately 3.8 million tonnes of titanium feedstock were traded among the six main world regions. This is equal to approximately 44% of all titanium feedstock sold in 2010 (around 8,537,000 tonnes), including domestic and intra-regional sales. Large volumes of titanium feedstock were traded from Africa and the Middle East to North America, Western Europe and Scandinavia and the Asia-Pacific region. Significant volumes were also traded from the Asia-Pacific region to North America and Western Europe and Scandinavia and from North America to Western Europe and Scandinavia.

Exxaro Mineral Sands does not consider transport costs to be a deterrent for sales of titanium feedstock, because the inter-regional shipping costs to Europe, Asia and North America are generally offset by the relatively lower labor costs in South Africa, as compared with Europe and North America. Titanium feedstock is typically priced on a Free-on-Board basis, meaning that the feedstock producers pay for transport and logistics to load the feedstock onto a vessel for transportation. The feedstock purchaser (i.e., the pigment producer) then pays the shipping cost. Pigment producers are primarily concerned with the delivered price and, where shipping costs are higher or increase for existing customers, feedstock producers typically absorb any price differential to ensure that supply contracts are met.

Exxaro Mineral Sands s competitive advantages are its depth of experience in various mining methods and technologies, its ability and know how to produce upgraded products by means of direct current smelting of ilmenite and the synthetic rutile process, and its capacity to market zircon and rutile for use in a broad range of end-use applications. Exxaro Mineral Sands s competitive disadvantages are the relative distance between its mining operations and its processing plants at Namakwa Sands and the Tiwest Joint Venture, as well as the relatively short life of its mining operation at KZN Sands and the Tiwest Joint Venture, which necessitates increased expenditures for exploration and development of new mines. Exxaro Mineral Sands does not consider that these relative competitive disadvantages constitute a material risk to its business.

Exxaro Mineral Sands s Competitive Position

Based on data reported by TZMI, and Exxaro s own internal estimates, during 2010, Exxaro Mineral Sands s share of worldwide sales of titanium feedstock by value was approximately 9.6%, making it the world s third largest producer. The largest titanium feedstock producer is the global company Rio Tinto, which had a market share by value of approximately 37.7% in 2010. Australian-based Iluka Resources Limited is the second largest manufacturer, with operations in Australia and the United States, and a market share by value of approximately 15.6% in 2010. A number of other manufacturers, such as Cristal (Saudi Arabia), Eramet SA (France), Kenmare Resources plc (Ireland), Kronos Worldwide Inc. (Europe), Pangang Titanium Industry Co Ltd (China), Kerala Mines and Metals Limited (India) and Ostchem Holding AG (Eastern Europe) also supply to the global market.

The table below shows Exxaro s estimates of the worldwide titanium feedstock sales during 2010 by producer, based on the total amount of metric tonnage sold in 2010, as estimated by Exxaro based on its knowledge of the titanium feedstock industry, and the average price reported by TZMI for 2010.

	Sales by Volume[7]		Sales by Value[8]	
	Tonnes	Market share (%)	U.S. Dollars (in millions)	Market share (%)
Rio Tinto plc[1]	2,009,000	22.0	854.4	37.7
Iluka Resources Limited	1,324,000	14.5	354.6	15.6
Exxaro Mineral Sands[2]	***493,000***	***5.4***	***216.5***	***9.6***
Cristal[3]	314,000	3.4	79.9	3.5
Eramet SA[4]	210,000	2.3	68.0	3.0
Kenmare Resources plc[5]	645,000	7.1	66.6	2.9
Others[6]	4,146,000	45.3	626.9	27.7
Total	9,141,000	100	2,266.9	100

1 Rio Tinto s sales data includes sales made by its wholly-owned subsidiary, Canada-based Fer et Titane Inc (QIT), and its 37.0% interest in the largest titanium feedstock producer, South African company Richards Bay Minerals.

2 Exxaro Mineral Sands s sales data includes sales made by KZN Sands and Namakwa Sands and 100.0% of the feedstock sales made by the Tiwest Joint Venture.

3 Cristal s sales data includes sales made by Cristal Australia Pty Ltd and its wholly-owned subsidiary, Australian company Bemax Resources Limited.

4 Eramet s sales data includes sales made by its wholly-owned subsidiary, Norwegian company Tinfos Titan & Iron AS.

5 Kenmare s sales data includes sales made by its wholly-owned subsidiary, Mozambique company Moma Titanium Mineral Mine.

6 Others includes Chinese manufacturers, estimated to account for approximately 8% of global feedstock sales by value and 13% of sales by volume in 2010.

7 Volume represents sales of chloride ilmenite, sulfate ilmenite, natural rutile, synthetic rutile, chloride slag, sulfate slag (including chloride fines), leucoxene and upgraded slag. Volume values for competitors are derived from 2010 amounts of tonnage sold reported to TZMI.

8 Sales value for Exxaro Mineral Sands based on U.S. Federal Reserve average exchange rate for 2010 ($1.00 = R7.30). Sales values for competitors are derived from 2010 sales volume reported to TZMI and are based on prices per tonne.

As a result of the global economic downturn, demand for titanium feedstock decreased in 2008 and 2009. This led to a reduction in the level of investment in new mining projects and a reduction in titanium feedstock production. The increase in demand during 2010 and 2011 has resulted in increasing prices for titanium feedstock, which has been further compounded by this historic lack of investment and decreased output during the downturn. This limited availability is expected to continue in the short to medium term.

As a result of the limited supply of titanium feedstock, the global TiO_2 market is also tight. Due to increasing demand for TiO_2 in 2010 and 2011, major TiO_2 producers are operating at near full capacity and, as a result of limited availability of titanium feedstock, TiO_2 producers are constrained in their ability to meet any further demand by expanding capacity. Access to titanium feedstock is critical in order to effect any meaningful capacity increases.

The Zircon Market

Zircon consumption is driven by a number of end-use applications based on its unique properties, including opacification, wear resistance, chemical and thermal stability and electrical properties. The major end-use market for zircon is ceramics, followed by its use in zirconia and zirconium chemicals, refractories, foundries and other uses. Based on data reported by TZMI, in 2010, the largest demand for zircon came from China, representing approximately 42% of global zircon demand, followed by Europe, representing approximately 24% of global zircon demand, and the Asia-Pacific region, representing approximately 18% of global zircon demand. Demand in these regions is largely tied to the strength of the ceramics industries, as well as continued economic growth and a strong manufacturing sector.

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, Rio Tinto (through its Richards Bay Minerals operations) and Exxaro Mineral Sands (excluding the Tiwest Joint Venture), representing approximately 33%, 17% and 14%, respectively, of the total zircon sand production.

Zircon producers generally compete on the basis of price, quality, logistics, delivery and payment terms and consistency of supply. Exxaro Mineral Sands has competitive advantages over its competition due to quality, long-term relationships with customers and product range. Exxaro Mineral Sands s primary competitive disadvantage relative to its major competitors is its distance from its main consumers (i.e., Asia and Europe).

Global demand for zircon is strong and is expected to remain so due to increased urbanization, especially in developing economies such as China. Over the remainder of the decade, the global supply/demand deficit is likely to grow. Zircon prices are expected to continue to rise as a result.

The High Purity Pig Iron Market

Based on data reported by TZMI, pig iron produced from the mining and beneficiation of titanium feedstock accounted for approximately 3.5% of total global pig iron production in 2010. High purity pig iron produced from mineral sands mining is generally marketed to the steel industry, which uses pig iron in electric arc furnaces and the foundry or metal casting industry, for which pig iron is a key raw material. The three largest mineral sands producers who also produce high purity pig iron are Rio Tinto (through its QIT and Richards Bay Minerals operations), Exxaro Mineral Sands (excluding the Tiwest Joint Venture), and Eramet, which in 2010 produced 1,385,000 tonnes, 154,000 tonnes and 115,000 tonnes, respectively.

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Pig iron producers typically make use of agents, principal agents or representing officers based within the target market. Pig iron sold to steel producers is normally sold per barge or even per ship load, while foundries tend to buy on a per truck load basis. Pricing is normally market-related, as published by various publications, for basic pig iron, and may vary as a function of quality (i.e., the purer the specification, the higher the value). Sales contracts vary from spot to 3-month supply; very seldom are the commitments longer.

Sales and Marketing

Direct relationship marketing is the primary technique employed by Exxaro Mineral Sands for the marketing of titanium feedstocks. Multi-year contracts are negotiated with annual or half-yearly pricing for the pigment industry, while the contract period tends to be less than one year (either per shipment, quarterly, half-yearly or one year) for feedstock going into the welding rod industry. Pricing for titanium feedstocks is usually adjusted either on a quarterly or half-yearly basis. In some instances, Exxaro Mineral Sands uses traders or agents for the sale of titanium feedstocks.

A portion of the zircon produced at Namakwa Sands is supplied on long-term multi-year tonnage contracts with some of Exxaro Mineral Sands s larger European customers. The tonnage is subject to agreement on pricing, which Exxaro Mineral Sands negotiates at quarterly intervals or on a shipment-by-shipment basis. For customers of KZN Sands, and for smaller customers of Namakwa Sands, Exxaro Mineral Sands contracts zircon tonnage and pricing on a quarterly basis. Exxaro Mineral Sands seeks to avoid the use of agents and traders for the sale of zircon, favoring long-term relationships directly with end users.

Pig iron produced by Exxaro Mineral Sands is sold via agents. The agents either purchase the material directly from Exxaro Mineral Sands or sell the material on Exxaro Mineral Sands s behalf.

The Tiwest Joint Venture does not sell or market its own products. Under separate marketing agreements, Tronox Incorporated holds the right to market all of the TiO_2 produced by the Kwinana Facility and Exxaro holds the right to market any titanium feedstock produced at Cooljarloo and Chandala which is not used for the Tiwest Joint Venture s own consumption for the production of TiO_2 at the Kwinana Facility.

Exxaro Mineral Sands is not dependent upon any single customer, or a few customers, the loss of any one or more of which would have a material adverse effect on Exxaro Mineral Sands s business.

Based on 2010 revenues, the percentage of titanium feedstock sales to Tronox Incorporated accounted for approximately 6.2% of Exxaro Mineral Sands s total revenue. Based on 2010 revenues, titanium feedstock sales to Tronox Incorporated combined with TiO_2 pigment sales to Tronox Incorporated accounted for approximately 28% of Exxaro Mineral Sands s total revenue. Following completion of the Transaction, Exxaro Mineral Sands expects that the percentage of titanium feedstock to be used for Tronox Incorporated s operations within the combined group will increase; however, if Tronox Incorporated were to cease buying titanium feedstock from Exxaro Mineral Sands, demand from other customers would mitigate any lost profit or decreased sales and would not materially impact Exxaro Mineral Sands s profit or results of operations.

Backlog Orders

The dollar amounts of Exxaro Mineral Sands s backlog orders believed to be firm as of November 30, 2011 were $15,218,950 for KZN Sands, $42,839,480 for Namakwa Sands and $632,000 for Exxaro s 50.0% interest in the Tiwest Joint Venture. The dollar amounts of Exxaro Mineral Sands s backlog orders believed to be firm as of the end of 2010 were $8,156,061 for KZN Sands, $9,198,548 for Namakwa Sands and $1,854,578 for Exxaro s 50.0% interest in the Tiwest Joint Venture. The increase in the backlog orders for KZN Sands and Namakwa Sands was caused by shipping delays during the fourth quarter of 2011. Transportation delays are a logistical factor over which Exxaro Mineral Sands has only limited control, as further discussed under Risk Factors The capacity and cost of transportation facilities, as well as transportation delays and interruptions, could adversely

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affect New Tronox s ability to supply titanium feedstock to its pigment operations and its products to its customers. The decrease in the backlog orders for Exxaro s 50.0% interest in the Tiwest Joint Venture was mainly due to shipment rollovers from 2010 to 2011. Exxaro Mineral Sands expects the backlog to be filled by the end of the second quarter of 2012.

Seasonality

Because TiO_2 is widely used in paint and other coatings, titanium feedstocks are in higher demand prior to the painting season (spring and summer in the Northern Hemisphere), and pig iron is in lower demand during the European summer holidays, when many steel plants and foundries undergo maintenance. Zircon generally is a non-seasonal product but is negatively impacted by the Chinese New Year holiday due to reduced zircon demand from China.

Exxaro Mineral Sands Licenses and Leases

South Africa

Exxaro Mineral Sands s primary South African mining rights are the Hillendale and Fairbreeze mining rights and the Namakwa Sands mining rights.

The Fairbreeze Conversion mining right is an old order mining right in respect of ilmenite, rutile and zircon (heavy minerals), which was converted to a new order right and executed by the DMR on March 23, 2010 and is valid for a period of 30 years.

The Fairbreeze C Extension mining right is a new order mining right in respect of ilmenite, rutile and zircon (heavy minerals), which was originally granted to Exxaro Sands and executed by the DMR on April 9, 2009 and is valid for a period of 30 years.

The Hartebeestekom mining right at Namakwa Sands is an old order mining right in respect of heavy minerals (general), which was converted to a new order mining right and ceded by Anglo Operations Limited to Exxaro TSA Sands on August 25, 2008. The Hartebeestekom mining right is valid for a period of 30 years, until 2038.

The Rietfontein Conversion mining right at Namakwa Sands is an old order mining right in respect of heavy minerals (general), which was converted to a new order mining right and ceded by Anglo Operations Limited to Exxaro TSA Sands on August 25, 2008. The Rietfontein Conversion mining right is valid for a period of 30 years, until 2038.

The Hillendale mining right at KZN Sands is an old order mining right in respect of heavy minerals (general), which was converted to a new order mining right on March 23, 2010. The Hillendale mining right is valid for a period of 25 years, until 2035.

An application for renewal of a mining right must be submitted within 60 working days prior to the mining right s expiry date. A mining right may be renewed for further periods, each of which may not exceed 30 years. The Minister of Mineral Resources must grant a renewal of a mining right if the holder has complied with the terms and conditions of the mining right and is not in contravention of any provision of South African law.

Australia

There is one mining lease for the Tiwest Joint Venture s operations at Cooljarloo, which was granted on March 2, 1989 for a term of 21 years. The term was extended for an additional 10 years in 2010, and will expire on March 1, 2020 (unless the term is further extended). 50.0% of the mining lease is held by Exxaro s wholly-

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owned subsidiary, Yalgoo Minerals Pty Ltd, and 50.0% of the mining lease is held by Tronox Incorporated s wholly-owned subsidiary, Tronox Western Australia Pty Ltd.

The Tiwest Joint Venture operations are also governed by a State Agreement with the State of Western Australia which was approved and ratified by the Parliament of Western Australia. State Agreements are contracts between the government of Western Australia and the proponents of major resources projects, and are ratified by an Act of the State Parliament. State Agreements specify the rights, obligations, terms and conditions for the development of major resources projects, and establish a framework for ongoing relations and cooperation between the State and the proponent of the project. The relevant State Agreement relating to the Tiwest Joint Venture is the agreement authorized and scheduled to the Mineral Sands (Cooljarloo) Mining and Processing Agreement Act 1988 (WA).

The Tiwest Joint Venture has three mining leases at Jurien, which were all granted in 1989 and which were all extended in 2010 for an additional 21 year term ending in 2031. No mining or processing activity has been conducted at Jurien since 1994.

The Tiwest Joint Venture has six mining leases over the Dongara Project area. The Tiwest Joint Venture is in the process of having a Public Environmental Review performed on the Dongara Project area in order to obtain approval to mine from the Environmental Protection Authority (Western Australia). Fourteen additional mining leases over the Dongara Project area are currently under application and are progressing through the future act process under the Native Title Act 1993 (Cth) the (Native Title Act) prior to being granted by the Department of Mines and Petroleum.

The Tiwest Joint Venture also manages six exploration licenses at Cooljarloo West, for areas which are currently under active exploration.

Research and Development

Exxaro has a research and development section that services all of Exxaro Mineral Sands s commodities. The research and development section focuses on applied research and development testing of both new and existing processes. The research and development facility has an area dedicated to heavy minerals in order to prevent contamination and has both laboratory and pilot scale equipment, mostly for physical beneficiation processes. The facility also has a strong mineralogy section. For the past three years, the research and development section spent approximately R5.0 million ($0.7 million) per year on development projects. This figure does not include the cost of test work for feasibility studies, which can vary significantly from year to year.

Patents, Trademarks, Trade Secrets and Other Intellectual Property Rights

Proprietary protection of Exxaro Mineral Sands s intellectual property is important to its business. Exxaro Mineral Sands has a comprehensive intellectual property strategy that includes obtaining, maintaining and enforcing its patents, trademarks and other intellectual property.

Patents

Exxaro Mineral Sands owns three patents (including provisional patent grants) and has another four pending patent applications, and its patents are protected in most of its primary markets. Exxaro Mineral Sands also relies on intellectual property for its Namakwa Sands operations which was granted to Exxaro Mineral Sands in perpetuity by Anglo American South Africa Limited for use on a worldwide basis, pursuant to a non-exclusive license. None of Exxaro Mineral Sands s patents are due to expire in the next five years. While a presumption of validity exists with respect to issued patents, any of Exxaro Mineral Sands s patents could be challenged, invalidated, circumvented or rendered unenforceable. Furthermore, Exxaro Mineral Sands cannot assure the issuance of any pending patent application or, if patents do issue, that they will provide meaningful protection against competitors or against

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competitive technologies. In addition, Exxaro Mineral Sands s competitors or other third parties may obtain patents that restrict or preclude its ability to lawfully produce or sell its products in a competitive manner.

Trademarks and Trade Secrets

Exxaro Mineral Sands has 14 trademark registrations (including applications for registrations currently pending) in South Africa and Australia. Exxaro Mineral Sands protects the trademarks that it uses in connection with the products it manufactures and sells and has developed goodwill in connection with its long-term use of its trademarks, however, there can be no assurance that the trademark registrations will provide meaningful protection against the use of similar trademarks by competitors, or that the value of Exxaro Mineral Sands s trademarks will not be diluted.

Exxaro Mineral Sands also uses and relies upon unpatented proprietary know-how, continuing technological innovation and other trade secrets to develop and maintain its competitive position. Exxaro Mineral Sands conducts research activities and protects the confidentiality of its trade secrets through reasonable measures, including confidentiality agreements and security procedures.

Regulation of the Mining Industry in South Africa and Australia

Mining Regulation in South Africa

The South African Minerals Act of 1991 established legislation to provide for the health and safety of mine workers and to regulate orderly utilization and rehabilitation of the land surface during and after prospecting and mining operations. Following the 1993 amendment of the South African Minerals Act, each new mine must prepare an Environmental Management Program Report (an EMPR) for approval by the DMR. An EMPR is a single document that is meant to satisfy all South African government departments, from Agriculture to Water Affairs and Forestry, and is intended to simplify and standardize the reporting and monitoring procedures governing environmental management of individual mining enterprises. EMPRs cover the environmental impacts of a mine during its life, up to the point where the DMR issues a closure certificate. EMPRs must specify provisions for environmental management during the construction, operational, decommissioning and aftercare phases. EMPRs also set out timetables and the extent of financial commitments to cover each phase of management.

The MPRDA

The MPRDA came into effect on May 1, 2004, and vests all mineral rights in South Africa in the state (including the right to grant prospecting and mining rights). The objectives of the MPRDA are, among other things, to promote equitable access to the nation s mineral resources by South Africans, expand opportunities for historically disadvantaged persons (HDSAs) who wish to participate in the South African mining industry, advance social and economic development and create an internationally competitive and efficient administrative and regulatory regime based on the universally accepted principle (consistent with common international practice) that mineral resources are part of a nation s patrimony.

There are four principal authorizations available under the MPRDA with respect to minerals: a reconnaissance permission, a prospecting right, a mining right and a retention permit. A reconnaissance permission may be applied for in order to search for minerals by way of geological and geophysical surveys. A reconnaissance permission is valid for two years and is not renewable. Prospecting rights are initially granted for a maximum period of five years and can be renewed once upon application for a further period not exceeding three years. Mining rights are valid for a maximum period of 30 years and can be renewed upon application for further periods, each of which may not exceed 30 years. The MPRDA provides for the grant of retention permits, which would have a maximum term of three years, and which could be renewed once upon application for a further two years.

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The Minister of Mineral Resources considers a wide range of factors and principles when deciding whether to grant prospecting and mining rights applications, including proposals relating to black economic empowerment and social responsibility. A mining right can be cancelled if the mineral to which such mining right relates is not mined at an optimal rate.

Old order rights held under the previous dispensation are required to be converted to new order rights recognized under the MPRDA. In accordance with the transitional arrangements of the MPRDA, all applications for prospecting permits, mining authorizations, consent to prospect or mine and all Environmental Management Programs made under the South African Minerals Act but not finalized or approved before May 1, 2004 (the date on which the MPRDA took effect), are treated as having been made under the MPRDA.

The South African government published the Broad Based Socio-Economic Charter for the South African Mining Industry in April 2004 (as amended in 2010) (the Mining Charter). The Mining Charter states that it is not the government s intention to nationalize the mining industry. Instead, the Mining Charter s stated objectives are to:

- promote equitable access to South Africa s mineral resources for all the people of South Africa;
- substantially and meaningfully expand opportunities for HDSAs and women to enter the mining and minerals industry and to benefit from the exploitation of South Africa s mineral resources;
- utilize the existing skills base for the empowerment of HDSAs;
- expand the skills base of HDSAs in order to serve the community;
- promote employment and advance the social and economic welfare of mining communities and areas supplying mining labor; and
- promote beneficiation of South Africa s mineral commodities beyond mining and processing, including the production of consumer products.

To achieve its objectives, the Mining Charter requires that, within five years of its effective date, each mining company must achieve a 15.0% HDSA ownership of mining assets and, within ten years of its effective date, a 26.0% HDSA ownership of mining assets. Ownership can comprise active involvement, involvement through HDSA-controlled companies (where HDSAs own at least 50.0% plus one share of the company and have management control), strategic joint ventures or partnerships (where HDSAs own a least 25.0% plus one vote of the joint venture or partnership interest and there is joint management and control) or collective investment vehicles, the majority ownership of which is HDSA based, or passive involvement, particularly through broad-based vehicles such as employee stock option plans. The Mining Charter envisages measuring progress on transformation of ownership by:

- taking into account, among other things, attributable units of production controlled by HDSAs;
- allowing flexibility by credits or offsets so that, for example, where HDSA participation exceeds any set target in a particular operation, the excess may be offset against shortfalls in another operation;
- taking into account previous empowerment deals in determining credits and offsets; and

considering special incentives to encourage the retention by HDSAs of newly acquired equity for a reasonable period.

The Mining Charter envisages that transactions will take place in a transparent manner and for fair market value, with stakeholders meeting after five years to review progress in achieving the 26.0% target. Under the Mining Charter, the mining industry as a whole agreed to assist HDSA companies in securing financing to fund participation in an amount of R100.0 billion ($14.8 billion) over the first five years, after which HDSA participation will be increased on a willing seller-willing buyer basis, at fair market value, where the mining companies are not at risk.

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In addition, the Mining Charter requires, among other things, that mining companies:

- spell out plans for achieving employment equity at the management level, with a view to achieving a baseline of 40.0% HDSA participation in management and achieving a baseline of 10.0% participation by women in the mining industry, in each case within five years;

- give HDSAs preferred supplier status, where possible, in the procurement of capital goods, services and consumables; and

- identify current levels of beneficiation and indicate opportunities for growth.

When considering applications for the conversion of existing licenses, the government takes a scorecard approach to the different facets of promoting the objectives of the Mining Charter. The scorecard sets out the requirements of the Mining Charter in tabular form, which allows the DMR to check off areas where a mining company is in compliance. The scorecard covers the following areas: human resource development; employment equity; migrant labor; mine community and rural development; housing and living conditions; procurement; ownership and joint ventures; beneficiation; and reporting.

The scorecard does not indicate the relative significance of each item, nor does it provide a particular score which an applicant must achieve in order to be in compliance with the Mining Charter and be granted new order rights. The Mining Charter, together with the scorecard, provides a system of credits or offsets with respect to measuring compliance with HDSA ownership targets. Offsets may be claimed for beneficiation activities undertaken or supported by a company above a predetermined base state, which has not yet been established for each mineral. Offsets may also be claimed for the continuing effects of previous empowerment transactions.

The Mining Charter also requires mining companies to submit annual, audited reports on the progress toward their commitments, as part of an ongoing review process.

The DMR recently amended the Mining Charter (the Revised Mining Charter), effective as of September 13, 2010. The requirement under the Mining Charter that mining entities achieve a 26.0% HDSA ownership of mining assets by 2014 has been retained in the Revised Mining Charter. Amendments to the Mining Charter in the Revised Mining Charter include requirements that mining companies achieve the following by 2014:

- facilitate local beneficiation of mineral commodities and procure a minimum of 40.0% of capital goods, 70.0% of services and 50.0% of consumer goods from HDSA suppliers (i.e., suppliers of which a minimum of 25.0% plus one vote of their share capital is owned by HDSAs) by 2014 (these targets will be exclusive of non-discretionary procurement expenditure);

- ensure that multinational suppliers of capital goods contribute a minimum 0.5% of their annual income generated from South African mining companies towards the socioeconomic development of South African communities into a social development fund from 2010;

- achieve a minimum of 40.0% HDSA demographic representation by 2014 at the executive management (board) level, senior management (executive committee) level, core and critical skills, middle management level and junior management level;

- invest up to 5.0% of annual payroll in essential skills development activities; and

- implement measures to improve the standards of housing and living conditions for mineworkers by converting or upgrading mineworkers hostels into family units, attaining an occupancy rate of one person per room and facilitating home ownership options for all mineworkers in consultation with organized labor.

In addition, mining companies are required to monitor and evaluate their compliance with the Revised Mining Charter and must submit annual compliance reports (called scorecards) to the DMR. The scorecard

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provides for a phased-in approach for compliance with the above targets over the five year period ending in 2014. For measurement purposes, the scorecard allocates various weights to the different elements of the Revised Mining Charter. Failure to comply with the provisions of the Revised Mining Charter will amount to a breach of the MPRDA, may result in the cancellation or suspension of a mining company s existing mining rights and may prevent a mining company from obtaining any new mining rights. For further information, please refer to Risk Factors 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.

The Royalty Act

The Mineral and Petroleum Resources Royalty Act, No. 28 of 2008 was promulgated on November 24, 2008, became effective on March 1, 2010 and imposes a royalty on refined and unrefined minerals payable to the state.

The royalty in respect of refined minerals is calculated by dividing earnings before interest and taxes (EBIT) by the product of 12.5 times gross revenue calculated as a percentage, plus an additional 0.5%. EBIT refers to taxable mining income (with certain exceptions, such as no deduction for interest payable and foreign exchange losses) before assessed losses but after capital expenditure. A maximum royalty of 5.0% of revenue has been introduced for refined minerals.

The royalty in respect of unrefined minerals is calculated by dividing EBIT by the product of nine times gross revenue calculated as a percentage, plus an additional 0.5%. Where unrefined mineral resources constitute less than 10.0% in value of the total composite mineral resources, the royalty rate in respect of refined mineral resources may be used for all gross sales and a separate calculation of EBIT for each class of mineral resources is not required. For further information, please refer to Risk Factors 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.

Environmental Management

Applicants for a mining right are required to conduct an environmental impact assessment and submit an Environmental Management Program, while applicants for a prospecting right, mining right or reconnaissance permit have to submit an Environmental Management Plan. Prospecting and mining rights only become effective under the MPRDA on the date that the corresponding Environmental Management Plan or Environmental Management Program has been approved. The MPRDA includes a requirement to make financial provision for the remediation of environmental damage as well as for the issuing of a closure certificate and requires that the financial provision be in place before approval of the Environmental Management Plan or Environmental Management Program. An application for a closure certificate now becomes compulsory upon lapsing of the right or cessation of activities.

Prior to the approval of the EMPR and the proposed mining operation itself, the applicant must make financial provision for the rehabilitation or management of negative environmental impacts, as noted above. In the event that the mine operator fails or is unable to rehabilitate environmental damage, the DMR will use all or part of the financial provision to rehabilitate or manage the negative environmental impact. The mining company must review its environmental liability annually and revise its financial provision accordingly to the satisfaction of the DMR.

The National Environmental Management Act

The National Environmental Management Act, No. 107 of 1998 (NEMA) is intended to integrate environmental management countrywide by establishing principles to serve as a general framework for

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environmental matters and by providing guidelines for the interpretation, administration and implementation of NEMA and any other environmental law.

Each identified organ of state exercising environmental functions is required to prepare an environmental implementation and management plan and thereafter to exercise its functions in accordance with the plan. The plan is submitted to the Committee for Environmental Co-ordination and the Director-General of Environmental Affairs (and, in turn, to the Minister of Environmental Affairs) followed by annual reports.

NEMA imposes a duty on any person who causes, has caused or may cause significant pollution or environmental degradation to take reasonable measures to prevent, minimize and rectify significant pollution and environmental degradation. There is no stipulated threshold limit for pollution that triggers the obligation to remediate and there are no legislated standards to which contamination must be remediated. What NEMA does require is the taking of reasonable measures. Non-compliance with the duty allows a competent authority to require that specified measures be taken. If such measures are not taken by the relevant regulated person, the competent authority may take those steps itself and recover the costs from various parties. Liability is retrospective.

The creation of a cradle to grave obligation for pollution or degradation of the environment, as well as the methods of enforcement, are extremely important in South Africa. NEMA creates the possibility of a class action against any entity for the potential or actual adverse consequences of a particular activity on the environment.

Environmental Impact Assessment Regulations

The Minister (at the national level) and the MEC (at the provincial level) are empowered to identify activities that require environmental authorization prior to commencement and/or geographical areas in which listed activities may not be commenced without pre-authorization. This pre-authorization may not be granted without compliance with, or exemption from, environmental impact assessment regulations (EIA Regulations).

Initial EIA Regulations were promulgated in 2006 and listed the activities that would trigger the need for environmental authorization from the relevant environmental regulatory authority, usually the provincial environmental department, but in some cases the then National Department of Environmental Affairs and Tourism. The 2006 EIA Regulations repealed the regulations made under the Environment Conservation Act (discussed below), and added to them significantly. The 2006 EIA Regulations were enacted to streamline the environmental impact assessment procedure, as well as to shorten the time period from the date of an application to the date of authorization.

In 2010, new EIA Regulations were promulgated in order to revise the environmental impact assessment procedure and the criteria relating to environmental authorizations for the commencement of activities such as prospecting and mining. The 2010 EIA Regulations and a revised set of Listed Activities came into force on August 2, 2010.

The Environment Conservation Act

The Environment Conservation Act, No. 73 of 1989 was, prior to the enactment of NEMA, the primary legislation governing the protection and control of the environment in South Africa, but the enactment of NEMA and its repeal of various parts of the Environment Conservation Act has substantially eroded the power of the Environment Conservation Act. The provisions of the Environment Conservation Act that have survived deal with protected natural environments, limited development areas, regulations on noise, vibration and shock, general regulatory powers, various provisions relating to offenses and penalties and various incidental issues.

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The National Water Act

The National Water Act, No. 36 of 1998 controls the pollution of water resources, regulates water use, water use charges and the protection of water resources, and administers the granting of water use licenses. The National Water Act is important because water is a limited resource in South Africa. The National Water Act creates a hierarchy of water requirements, the first being the maintenance of a reserve needed to maintain the natural environment. Water users are invited to apply for licenses in respect of a particular water use and the procedures for this application are set out in the National Water Act. The license may or may not be issued, or may be issued subject to conditions, including conditions governing the permissible levels of chemicals in discharged waste water. The National Water Act also creates a duty of care regarding water resources similar to the duty imposed by NEMA, with similar consequences for non-compliance.

The National Environment Management: Air Quality Act

The National Environment Management: Air Quality Act, No. 39 of 2004 repealed the Atmospheric Pollution Prevention Act and regulates atmospheric pollution. The Air Quality Act came into full effect on April 1, 2010 and entrusts the Department of Environmental Affairs with the task of preventing pollution and ecological degradation, while at the same time promoting justifiable economic and social development. Metropolitan and district municipalities are charged with issuing atmospheric emission licenses for certain listed activities. Before these licenses will be issued, it must be shown that the best practical means are being employed to limit air pollution. Penalties and criminal sanctions are imposed for non-compliance with the Air Quality Act.

On March 31, 2010, the Department of Environmental Affairs established a list of activities that require atmospheric emission licenses. The Department of Environmental Affairs has published the minimum emission standards resulting from these listed activities. These include the permissible amount, volume, emission rate or concentration of the substance or mixture of substances that may be emitted into the atmosphere and the manner in which measurements of such emissions must be carried out. No person may conduct an activity listed on the national list anywhere in the Republic of South Africa, or an activity on the list applicable to a particular province anywhere in that province, without an atmospheric emission license or a provisional atmospheric emission license.

The National Environmental Management: Biodiversity Act

The National Environmental Management: Biodiversity Act, No. 10 of 2004 seeks, among other things, to manage and conserve biological diversity, to protect certain species and ecosystems, to ensure the sustainable use of biological resources and to promote the fair and equitable sharing of benefits arising from bio-prospecting involving those resources. It also establishes the South African National Biodiversity Institute.

The National Environmental Management: Protected Areas Act

Protected areas, such as nature reserves and special nature reserves, are declared and managed in terms of the National Environmental Management: Protected Areas Act, No. 57 of 2003. Depending on the nature of the protected area, certain activities (such as mining) may require Ministerial consent or may be prohibited outright. The Protected Areas Act also aims to promote the sustainable use of protected areas and the participation of local communities in such areas. In addition, it provides for the continued existence of the South African National Parks.

The National Environmental Management: Waste Act

The National Environmental Management: Waste Act, No. 59 of 2008 seeks to regulate waste management in South Africa by introducing a number of measures such as national norms and standards for waste management, a national waste information system, compliance and enforcement measures, and more specific waste management measures. Ultimately, the Waste Act will also introduce far reaching provisions relating to

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the declaration and remediation of contaminated land. With the exception of certain provisions, such as those relating to contaminated land, the Waste Act came into effect on July 1, 2009.

On July 3, 2009, the Department of Environmental Affairs published a list of waste management activities which have, or are likely to have, a detrimental effect on the environment. The consequence of such listing is that no person may commence, undertake or conduct a waste management activity, except in accordance with the requirements of the Waste Act, or a waste management license issued in respect of that activity, if such license is required.

The Nuclear Energy Act

The South African Energy Corporation Limited was established under the Nuclear Energy Act, No. 46 of 1999 to oversee the implementation of the Safeguards Agreement relating to the Nuclear Non-Proliferation Treaty, to regulate nuclear fuel, nuclear material and equipment, and to prescribe measures governing the disposal of radioactive waste and the storage of irradiated fuel.

The National Nuclear Regulator Act

The objects of the National Nuclear Regulator Act, No. 47 of 1999 are to establish a National Nuclear Regulator to regulate nuclear activities and to provide for safety standards and regulatory practices for the protection of persons, property and the environment against nuclear damage.

The National Radioactive Waste Disposal Institute Act

The National Radioactive Waste Disposal Institute Act, No. 53 of 2008 came into operation on December 1, 2009, and establishes the National Radioactive Waste Disposal Institute, the function of which is to manage radioactive waste disposal on a national basis. The National Radioactive Waste Disposal Institute Act also provides that generators of radioactive waste are responsible for all liabilities associated with such waste until the National Radioactive Waste Disposal Institute has received it and accepted it in writing.

Mine Health and Safety Act

The Mine Health and Safety Act, No. 29 of 1996 deals with the protection of the health and safety of persons in the mining industry, but it also has some implications for environmental issues because of the need for both environmental monitoring within mine operations and the maintenance of mine residue deposits.

National Environmental Management Amendment Act

The National Environmental Management Amendment Act, No. 62 of 2008 made a number of amendments to NEMA in order to further regulate environmental authorizations and to empower the Minister of Minerals and Energy to implement environmental matters in terms of NEMA, insofar as it relates to prospecting, mining, exploration, production or related activities on a prospecting, mining, exploration or production area. The National Environmental Management Amendment Act also aligns the environmental requirements in the MPRDA with NEMA by providing for Environmental Management Programs, consultation with state departments, exemption from certain provisions, financial provision for the remediation of environmental damage, the recovery of costs in the event of urgent remedial measures and the issuance of closing certificates as they relate to the conditions of the environmental authorization. The amended Section 24N(1A) of NEMA reads: Where environmental impact assessment has been identified as the environmental instrument to be utilized in informing an application for environmental authorization, or where such application relates to prospecting, mining, exploration, production and related activities on a prospecting, mining, exploration or production area, the Minister, the Minister of Mineral Resources, an MEC or identified competent authority must require the submission of an environmental management program before considering an application for an environmental

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authorization.   It is not possible to grant exemption from the EMPR requirement as it is compulsory for the competent authority to request an EMPR.

Mining Regulation in Australia

Mining Law

Each Australian state and territory has its own legislation regulating the exploration for and mining of minerals. Exxaro Mineral Sands s operations are principally regulated by the Western Australian Mining Act 1978 (WA) (the Mining Act) and the Mining Regulations 1981 (WA) (the Mining Regulations). The Department of Mines and Petroleum administers the Mining Act, which makes provision for a number of different tenements, including prospecting licenses, exploration and retention licenses and mining leases. Some of the basic features of these tenements are outlined below.

Mining Tenements

Prospecting Licenses and Exploration Licenses

A prospecting license grants the license holder the right to carry out exploration for all minerals (except iron ore, unless expressly authorized) in the license area.

The rights conferred by an exploration license are substantially the same as those conferred by a prospecting license.

Retention License

A holder of an exploration license, prospecting licence or mining lease may apply for a retention license. The application for a retention license must address certain criteria, including provision of a statutory declaration that mining of the identified mineral resource is for the time being impracticable for one or more of the reasons provided for in the Mining Act.

The holder of a prospecting, exploration or retention licence has the right to apply for a mining lease (over an area over which it has been carrying out its prospecting/exploration activities), and to have the mining lease granted to it (on such terms and conditions as the Minister considers reasonable) provided that there is significant mineralisation on or under the land to which the application relates, and that the application does not relate to certain areas of land such as reserves, for which the Minister s consent is required before mining can be carried out on such land, a marine park or marine management area.

Mining Leases

In Western Australia, the maximum initial term of a mining lease is 21 years. Upon expiration of the initial term, a mining lease holder may renew the lease for a further period of 21 years, with subsequent renewals subject to the Department of Mines and Petroleum s discretion. The maximum area for a mining lease applied for before February 10, 2006 is 10 square kilometres, after then, the size applied for is to relate to an identified orebody as well as an area for infrastructure requirements.

All mining leases carry standard conditions and endorsements regulating the activities that the lease holder may carry out in order to ensure that the land is adequately rehabilitated after mining and that mining is conducted in a safe manner. Mining activity may not commence until the tenement holder has received approval for its operational and environmental plan, which outlines the nature of the proposed development, the method of mining, its environmental impact, rehabilitation proposals and all building plans. The environmental impact plan must include a detailed description of both the proposed project and the existing natural environment in which it will take place, including the relevant aspects of the social environment, such as Aboriginal sites, heritage issues,

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community values and other existing land uses, and must summarize the licence holder s environmental management commitments to manage and ameliorate any significant environmental impacts.

Mineral Royalties

Holders of mining leases are required to submit production reports and royalty returns to the Department of Mines and Petroleum on all minerals extracted from the mining area. The holder of, or applicant for, a mining lease shall, on each occasion that they pay royalties to the Department forward with the royalties a royalty return, in a form approved by the Minister, showing in full the details required to calculate those royalties.

State Agreements

State Agreements are essentially contracts between the government of Western Australia and the proponents of major resources projects, and are intended to foster resource development and related infrastructure investments, which are then approved and ratified by the Parliament of Western Australia. Statutory ratification means that the agreement takes effect notwithstanding any statute or general law which would otherwise be applicable to the agreement and the project contemplated by it. State Agreements typically operate as a framework for the development and operation of the relevant project from cradle to grave and are usually the source for all tenure necessary to support the project. A State Agreement typically obliges the private developer to pay royalties, make infrastructure available to third parties and support local content and community development initiatives.

The State Agreement relevant to the Tiwest Joint Venture and its production of mineral sands is the agreement authorized by and scheduled to the Mineral Sands (Cooljarloo) Mining and Processing Agreement Act 1988 (WA). State Agreements may only be amended by mutual consent, which reduces the sovereign risk and increases the security of tenure, however it should be noted that Parliament may, as a matter of principle, enact legislation that overrules or amends the particular State Agreement.

Native Title

Native title describes the rights and interests of Aboriginal and Torres Strait Islander people in relation to land, according to their traditional laws and customs that are recognized by the common law in Australia. The Australian Parliament passed the Native Title Act, which codified the native title doctrine. The Native Title Act recognizes that native title may be extinguished. The Native Title Act also provides for the grant of rights that may affect native title subject to compliance with its processes (such as the grant of a mining lease). It recognizes prior (to its enactment) extinguishment by an action of the government, such as the creation of an interest that is inconsistent with native title, and the grant of a right to exclusive possession through freehold title or certain leases (not including mining leases), although a valid mining title holder may exercise its title rights without interference from native title holders or claimants.

Native Title Claims and Determinations

The Native Title Act also provides for the determination of native title claims by the Federal Court. If a native title claim filed by Aboriginal people passes the registration test, it will be entered on the Register of Native Title Claims, upon which the applicant is entitled to certain statutory rights, including the right to negotiate with respect to the grant of rights that may affect native title (such as the grant of a mining lease). A claim may be referred by the Federal Court to the National Native Title Tribunal in order to mediate an outcome satisfactory to both native title claimants and any other interested parties. If this process is not successful, the Federal Court will set a trial to adjudicate the existence of a native title.

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Compensation

The Native Title Act confers on native title holders a right to compensation for the effect of the grant of mining tenements (where native title exists).

In Western Australia, the State has passed to tenement holders liability for the payment of compensation to native title holders for any effect on their native title of the grant of certain tenements. It is a common condition for tenements granted after 1994 that the tenement holder pays any native title compensation. From January 1999, section 125A of the Mining Act 1978 (WA) passed liability for native title compensation for all tenements granted to the holder.

Cultural Heritage

Western Australian and Commonwealth legislation protects Aboriginal sites and areas as well as objects of archaeological and cultural significance. The consent of the Western Australian Minister is required under State legislation before a project which would impact on an Aboriginal site can proceed. Any declarations made under Commenwealth legislation for Aboriginal sites will also need to be complied with. Mining and development operations and new projects can be halted or delayed due to claims or impacts that operations or proposed projects may have on a site or area of Aboriginal cultural significance which will be damaged or desecrated by the operations or proposed projects. For example, the Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth) provides for the preservation and protection of significant Aboriginal areas (which can include bodies of water) and objects throughout Australia which are of particular significance to Aboriginals (including Torres Strait Islanders).

Environment

Mining operations in Western Australia are subject to a variety of environmental protection regulations.

Environmental Protection Act

The Environmental Protection Act 1986 (WA) is the primary source of environmental regulation in Western Australia. All project proposals that will likely have a significant effect on the environment are subject to an assessment by the Environmental Protection Authority, including a public comment process, and must be approved by way of a Ministerial Statement. Approval of a mid-size mining operation project with one or two sensitive environmental issues takes an average of two to three years to complete the process.

Occupational Health and Safety

Prescriptive legislation regulates health and safety at mining workplaces in Western Australia. The principal general occupational health and safety legislation and regulations are the Occupational Safety and Health Act 1984 (WA) and the Occupational Health and Safety Regulations 1996 (WA).

As part of a national process of harmonising work health and safety laws Australia wide, the Western Australian government is in the process of preparing draft harmonised legislation which will be introduced into Parliament next year. The government intends this legislation will be operational on January 1, 2013.

Environmental, Health and Safety Matters

Overview

As described above, Exxaro Mineral Sands s facilities and operations are subject to extensive general and industry-specific environmental, health and safety regulations in South Africa and Australia. These regulations include those relating to mine rehabilitation, liability provision, water management, the handling and disposal of hazardous and non-hazardous materials and occupational health and safety. The following describes environmental, health and safety matters with respect to Exxaro Mineral Sands s operations.

With the exception of Namakwa Sands s mining operations, mineral separation plant and smelter operations, where final approval for water licenses required by the National Water Act has not yet been obtained, Exxaro believes that Exxaro Mineral Sands s operations are in compliance, in all material respects, with existing health, safety and environmental legislation and regulations. Exxaro Mineral Sands employs health, safety and environmental experts to advise it on technical and regulatory matters relevant to the management of its facilities and operations, and Exxaro continually invests in its plants, equipment and other infrastructure to ensure that the Exxaro Mineral Sands operations comply with its obligations under health, safety and environmental laws and regulations.

Capital Expenditures

Exxaro estimates that its material capital expenditures for Exxaro Mineral Sands s environmental control facilities for the remainder of 2011 and for the 2012 fiscal year will be approximately R17.0 million ($2.5 million) and R37.0 million ($5.5 million), respectively. The cost of future compliance or further investments required to meet health, safety and environmental laws and regulations are difficult to estimate, but Exxaro considers it unlikely that these costs would have a material adverse effect on Exxaro Mineral Sands s financial position or the results of operations.

Environmental Provision

As of December 31, 2010, Exxaro Mineral Sands s provision for environmental and decommissioning rehabilitation, through a trust fund and guarantees, was R154.0 million ($23.3 million) (guarantees) and R120.0 million ($18.1 million) (trust fund). The more significant sites covered by this provision and the type of rehabilitation and remediation work contemplated are as follows:

Several initiatives at the Namakwa Sands East Mine ensured that rehabilitation has been advanced over large areas to ensure that final rehabilitation liability has been reduced to a minimum.

At KZN Sands, the growth medium experiments at Hillendale have been successful and the final phases of rehabilitation are tested via trial plots.

Namakwa Sands is cleaning up the seepage of polluted water to groundwater and surface water from its evaporation facilities. The water treatment facilities which are required to replace the evaporation ponds are projected to cost in excess of R50.0 million ($7.6 million).

There is a shortfall (referred to as the environmental provision shortfall) between the amount of the assessed financial provision for environmental and decommissioning rehabilitation (as required under the MPRDA in respect of Exxaro Mineral Sands s South African prospecting and mining operations) and the amount standing to the credit of a rehabilitation trust in respect of the assessed financial provision. The amount of the environmental provision shortfall is currently estimated to be approximately R126.1 million ($19.0 million). There will be an adjustment at the closing if the estimated environmental provision shortfall at the time of the closing exceeds or is less than approximately R126.1 million ($19.0 million). In addition, within six months after completion of the Transaction, Tronox Limited may elect to undertake a reassessment of the financial provision and if the reassessment results in a different environmental provision shortfall amount than the amount determined at closing, there will be another adjustment to account for the differences.

Water Use Licenses

As noted above, Namakwa Sands s mining operations, mineral separation plant and smelter operations are not in possession of approved water use licenses, as required by the National Water Act, which requires that such licenses be obtained before operations linked to water use commence. The Department of Water Affairs is authorized to stop unlawful water use at any operations in violation of the water use license requirement. Applications have been made for all of the Namakwa Sands water use licenses but have not yet been granted. The Department of Water Affairs granted Namakwa Sands permission to continue its mining operations, mineral separation plant and smelter operations until water use licenses have been approved for those operations, subject to operating conditions set by the Department of Water Affairs.

Fairbreeze Environmental Impact Assessment

In order to receive the environmental authorization necessary to begin the Fairbreeze mining operations, Exxaro Mineral Sands prepared an environmental impact assessment report, which it submitted to the Department of Agriculture, Environment and Rural Development (DAERD), as required under NEMA. There are two forms of environmental impact reports: a basic assessment report (BAR) and a more rigorous scoping and environmental impact report (SEIR). NEMA provides that an applicant may request permission to undertake a BAR instead of an SEIR if the applicant believes that the information included in the BAR will be sufficient to allow DAERD to reach its decision. DAERD granted Exxaro Mineral Sands permission to submit a BAR based on the fact that Exxaro Mineral Sands had already conducted extensive environmental impact assessments on the proposed Fairbreeze mining area over a period of approximately 13 years, and that undertaking the SEIR process would have repeated many of those assessments.

Although Exxaro Mineral Sands received permission from DAERD to use the BAR process instead of the SEIR process to conduct its environmental impact assessment, the Mtunzini Conservancy objected to Exxaro Mineral Sands s use of the BAR process and submitted an appeal to DAERD challenging its grant of permission. DAERD dismissed the Mtunzini Conservancy s appeal; however, the Mtunzini Conservancy may still decide to contest the Fairbreeze project s other pending authorizations (water use license, environmental authorization and land use planning authorization).

In connection with Exxaro Mineral Sands s BAR for the Fairbreeze mining area, DAERD has requested additional clarification and information from Exxaro Mineral Sands. DAERD s request is not an indication that it requires Exxaro Mineral Sands to use a process other than BAR. Exxaro Mineral Sands is in the process of complying with DAERD s information requests and expects an amended BAR to be submitted in January 2012.

Radioactive Minerals

Exxaro Mineral Sands has the required permits in South African and Australia to mine, treat, store, dispose of, transport, handle and expose persons to radioactive minerals (zircon and monazite). Provision for the potential cleanup costs related to such activities is included in the mine closure cost and reflected in Exxaro Minerals Sands s financial statements.

Exxaro Mineral Sands Employees

As of December 31, 2010, Exxaro Mineral Sands had 1,662 full-time employees and contractors. Of these employees, 644 employees and 4 fixed-term contract employees and contractors were located at KZN Sands, 975 employees and 8 fixed-term contract employees and contractors at Namakwa Sands, 14 employees at the Exxaro headquarters, 8 employees at Australia Sands, and 9 employees at Tiwest Sales Proprietary Limited (not including employees of the Tiwest Joint Venture).

As of November 30, 2011, Exxaro Mineral Sands had 1,813 full-time employees and contractors. Of these employees, 658 employees and 64 fixed-term contract employees and contractors were located at KZN Sands, 1,001 employees and 60 fixed-term contract employees and contractors at Namakwa Sands, 14 employees at the Exxaro headquarters, 8 employees at Australia Sands, and 8 employees at Tiwest Sales Proprietary Limited (not including employees of the Tiwest Joint Venture).

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Exxaro TSA Sands and Exxaro Sands have collective bargaining agreements with labor organizations representing their employees in South Africa and consider their relationships with their employees to be satisfactory.

For a discussion of the Tiwest Joint Venture employees, see Description of Tronox Incorporated Employees.

Social Responsibility

Health and Social Programs

KZN Sands

As part of its medical surveillance program, KZN Sands conducts medical check-ups on operational employees once a year and on administrative employees every three years. The medical check-ups are conducted through KZN Sands s outsourced occupational health clinic. KZN Sands also conducts regular on-site health and social programs linked to national health initiatives in South Africa and has an Employee Assistance Program in place to assist employees and their immediate families with a range of health and social issues, including trauma, social problems, financial planning, health issues and relationship issues. The Employee Assistance Program also serves as a mandatory referral mechanism in the event of work performance, attendance or social issues with KZN Sands employees. Some of KZN Sands s employees act as Wellness Educators to provide training and share knowledge about wellness issues with other members of the KZN Sands workforce.

As part of its social responsibility commitments, KZN Sands is involved in HIV/AIDS initiatives in the local communities. KZN Sands also has procurement and human resources forums with representatives from the six bordering local communities. The procurement forum is aimed at identifying service and supply contracts that can be sourced from the local communities. The procurement forum assists these new entrepreneurs by providing training internally and, if required, through external organizations as well. The procurement forum also provides assistance in the form of accounting and business registration, site inductions and medical certifications, as well as by providing the required protective personal equipment to allow start-up businesses to begin operations. The human resources forum focuses on empowering the local communities by assisting with direct employment and by providing learnerships that enable community members to gain work experience.

Namakwa Sands

Namakwa Sands provides primary health services to its employees through on-site occupational clinics at all three of its operations and, as part of its medical surveillance program, conducts medical check-ups on operational employees once a year and on administrative employees every three years. Namakwa Sands also conducts regular on-site health and social programs linked to national health initiatives in South Africa and has an Employee Assistance Program in place to assist employees and their immediate families with a range of health and social issues, including trauma, social problems, financial planning, health issues and relationship issues. The Employee Assistance Program also serves as a mandatory referral mechanism in the event of work performance, attendance or social issues with Namakwa Sands employees. Some of Namakwa Sands s employees act as Wellness Educators to provide training and share knowledge about wellness issues with other members of the Namakwa Sands workforce. As part of its social responsibility commitments, Namakwa Sands is actively involved in running and funding the local HIV/AIDS centers in Vredendal and Vredenburg. Namakwa Sands also contributes annually to the operational cost of the West Coast Business Development Centre, which fosters the growth of small and medium-size enterprises in the region in order to improve employment opportunities and entrepreneurship.

Australia Sands

The Tiwest Joint Venture has an Employee Assistance Program in place to assist employees and their immediate families with a range of health and social issues, including trauma, social problems, financial planning, health issues and relationship issues.

Sustainability

Exxaro Mineral Sands s approach to safety and sustainable development, which is codified in the Exxaro Safety and Sustainable Development Policy, includes the following guiding principles to ensure the health and safety of its employees, the environment, surrounding communities and its resources by ensuring sustainable development in all of its activities:

- ensuring an appropriate organizational structure and adequate resources to manage sustainable development, including safety, health and environmental matters and to comply with legislation;

- complying with all applicable legislation and international obligations as a minimum requirement and implementing effective company standards, programs and processes to manage risks;

- conserving natural resources and reducing the environmental burden of waste generation and emissions to air, water and land through strategies focusing on reducing, reusing, recycling and responsible disposal of waste; and

- establishing objectives, targets and continuously improving operations in terms of safety and sustainable development performance and management systems.

In addition, Exxaro Mineral Sands follows management standards that form the basis for the development and application of the Exxaro Safety and Sustainable Development Policy at all levels. The management standards cover the entire life cycle of operations, including decommissioning, closure and rehabilitation.

Exxaro Mineral Sands has approved Social and Labor Plans in place with respect to all of its mining license agreements, as required by the DMR.

Legal Proceedings

From time to time, Exxaro Mineral Sands may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. Exxaro is not currently aware of any such legal proceedings or claims that it believes will have, individually or in the aggregate, a material adverse effect on Exxaro Mineral Sands s business, financial condition or operating results. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm Exxaro Mineral Sands s business.

South Africa

Foskor Complaint

On March 14, 2011, the Competition Commission of South Africa received a complaint from Foskor Zirconia Proprietary Limited against Exxaro Sands and its primary competitor in the South African market for zircon sands, Richards Bay Minerals. The complaint alleged that Exxaro Sands and Richards Bay Minerals are involved in conduct which might contravene the South African Competition Act, No 90 of 1998, as amended, by charging excessive prices for zircon sand and limiting the amount of zircon sand that is made available to South African customers. The complaint currently remains under preliminary investigation by the South African Competition Commission and has not been formally referred to the Competition Tribunal of South Africa for a full investigation.

Obanjeni Land Claims

The South African Restitution of Land Rights Act, which was enacted in 1994, provides for the restitution of land rights to South African individuals or communities dispossessed of their land rights after June 19, 1913 as a result of racially discriminatory laws or practices. The Restitution of Land Rights Act established the Commission on Restitution of Land Rights and the Land Claims Court. The Commission on Restitution of Land Rights is responsible for investigating and settling land claims. If, after the Commission completes an

investigation, it is evident that a land claim cannot be settled by way of mediation and negotiation, the matter is then referred to the Land Claims Court.

The Obanjeni Community, which is a community organization located in KwaZulu-Natal province, has made land claims against properties owned by Exxaro Sands and properties owned by Mondi Ltd over which Exxaro Sands holds mining rights. The properties subject to the Obanjeni land claims relate to KZN Sands s Fairbreeze mining operations. All of the Obanjeni land claims have been accepted and were gazetted by the KwaZulu-Natal Regional Land Claims Commissioner on July 15, 2011. Exxaro Sands has objected to the Obanjeni land claims and has notified the Land Claims Commissioner of its existing mining rights and proposed mining operations on the properties subject to the Obanjeni land claims. Although the Land Claims Commissioner does have the right to expropriate the properties, the Commissioner does not have the right to expropriate a mining right. If the Land Claims Commissioner proceeds to expropriate the properties, it would do so subject to the existing registered lease between Mondi Ltd and Exxaro Sands. If the Land Claims Commissioner also expropriates the lease, Exxaro Sands will retain its statutory right of access to the properties under its mining right, and will enter into negotiations with the Land Claims Commission and the Obanjeni Community to reach an agreement on the terms of Exxaro Sands s access to the properties in order to conduct its mining operations. No landowner has denied Exxaro Sands access to any of the properties subject to the Obanjeni land claims.

Letsitele Contract Dispute

On May 19, 2010, Exxaro Sands entered into an agreement with the parties who have overlapping rights to the Letsitele prospecting project, as discussed above under Properties and Reserves Properties Gravelotte Mine and Letsitele Prospecting Project. On August 15, 2011, Exxaro Sands sent letters to these parties, notifying them of its intent to abandon its option under the agreement to participate in joint prospecting and mining activities with the other parties and regarding the agreement as terminated. Exxaro Sands received response letters from two of these parties notifying Exxaro Sands that they were considering their legal position, reserving their rights and claiming that Exxaro Sands s purported abandonment of its option would also constitute an abandonment of Exxaro Sands s rights and interests to the Letsitele properties, including Exxaro Sands s prospecting right over the Letsitele properties. Exxaro Sands disputed that claim and, on September 16, 2011, sent further notice letters to these parties, withdrawing the notice contained in the August 15 letters. One of these parties has since confirmed their acceptance that the agreement between the parties remains valid and enforceable. Negotiations concerning the transfer of the prospecting option rights and the sale of those rights to one of these parties are ongoing. 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 one of these parties.

Port Durnford Land Claim

The Mkhwanazi Tribe has lodged a land claim with respect to the proposed Port Durnford prospecting right area, and the land claim has been accepted by the Land Claims Commissioner. The land that is subject to the land claim is still held by the South African government and has not yet been transferred to the Mkhwanazi Tribe. Exxaro was approached by the Mkhwanazi Tribe and had preliminary discussions to discuss the way forward for prospecting and/or mining activities.

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Australia

Native Title Claims

There are a number of registered and unregistered native title claims currently pending in respect of the area of Tiwest Joint Venture s mining tenements in the Federal Court of Australia, which will determine whether the claimants have any and if so what native title right to land. The Tiwest Joint Venture s management generally negotiates compensation arrangements directly with native title claimants to ensure its new mining interests are validly granted without undue delay. None of the native title claims are expected to affect the validity or enforceability of Tronox s mining tenements.

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DESCRIPTION OF TRONOX LIMITED

Tronox Limited is an unlisted public company incorporated under the Australian Corporations Act and registered in Western Australia, Australia. All of the issued shares of Tronox Limited are currently held by Tronox Incorporated. Tronox Limited was formed for the purpose of the Transaction and prior to completion of the Transaction Tronox Limited has no operating assets or operations. Prior to the Transaction, Tronox Limited has two subsidiaries, Merger Sub One and Merger Sub Two. In connection with the Transaction, New Tronox s corporate structure will be rationalized. As part of the Transaction, Merger Sub One will merge with Tronox Incorporated, with Tronox Incorporated continuing as the surviving corporation in the merger. As soon as practicable after completion of the merger between Merger Sub One and Tronox Incorporated, Merger Sub Two will merge with Tronox Incorporated, with Tronox Incorporated continuing as the surviving corporation in the merger. See The Transaction General Description of the Transaction. As a result of the Mergers, Tronox Incorporated will be a subsidiary of Tronox Limited. In connection with the Mergers, Tronox Limited will issue up to 15,235,360 Class A Shares to existing holders of Tronox Incorporated common stock who do not elect to receive Exchangeable Shares. Immediately following the Mergers, Tronox Limited will issue 9,950,856 Class B Shares to Exxaro and one of its subsidiaries in consideration for the Exxaro Mineral Sands business. As part of the Transaction, Exxaro and its subsidiaries will retain a 26.0% ownership interest in each of Exxaro Sands and Exxaro TSA Sands in order to comply with the ownership requirements of BEE legislation in South Africa. See The Transaction General Description of the Transaction. Following completion of the Transaction, assuming the exchange of all the Exchangeable Shares, current Tronox Incorporated stockholders and Exxaro will hold approximately 61.5% and 38.5%, respectively, of the outstanding voting securities of Tronox Limited. After completion of the Transaction, Tronox Limited is expected to have the businesses and liabilities described in The Businesses. We expect Tronox Incorporated s existing credit facilities to be amended or replaced in connection with completion of the Transaction.

Liquidity

Prior to completion of the Transaction, Tronox Limited will remain a wholly-owned subsidiary of Tronox Incorporated with no operating assets. Any funds or liquidity necessary to maintain Tronox Limited s ongoing operation will be provided by Tronox Incorporated and group companies.

Directors and Officers

Tronox Limited s Directors and Officers, who we anticipate will remain until completion of the Transaction, are listed below:

Name	Age	Position
Michael J. Foster	44	Director
Anthony M. Orrell	54	Director
John William Logan Armstrong	62	Director
Thomas Casey	59	Chief Executive Officer
Edward G. Ritter	50	Principal Accounting Officer
Daniel D. Greenwell	49	Chief Financial Officer

Following completion of the Transaction, Tronox Limited s Directors and Officers will be those individuals listed under Management.

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SELECTED HISTORICAL FINANCIAL DATA

The following table sets forth selected historical financial data of Tronox Incorporated as of the dates and for the periods indicated. The statement of operations and balance sheet data, as of and for the combined nine month period ended September 30, 2011 and nine months ended September 30, 2010, have been derived from Tronox Incorporated s unaudited Consolidated Financial Statements included in this proxy statement/prospectus. The statement of operations and balance sheet data, as of and for the 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 Incorporated is unable to prepare financial statements for 2006 and 2007 in accordance with GAAP without unreasonable effort and expense. As discussed in Note 2, in May 2009, Tronox Incorporated filed a Form 8-K under Item 4.02 indicating that its previously issued financial statements could no longer be relied upon because Tronox Incorporated failed to establish adequate environmental and other contingent reserves as required by applicable accounting pronouncements. The financial statements affected by this disclosure are Tronox Incorporated s previously issued financial statements for the years ended December 31, 2005, 2006 and 2007, along with the financial information for the first three quarters of 2008. Tronox Incorporated has not restated periods prior to January 1, 2008, as it does not believe the errors discussed below are material to current or future investors. See Notes 2 and 3 to Tronox Incorporated s audited Consolidated Financial Statements for additional information. As such, Tronox Incorporated requested from the SEC, and subsequently received, permission to exclude selected financial information in the table below for 2006 and 2007.

This information should be read in conjunction with Tronox Incorporated s audited Consolidated Financial Statements (including the notes thereto) and Tronox Incorporated Management s Discussion and Analysis of Financial Condition and Results of Operations.

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	Nine Months Ended September 30, 2011	2010	Year Ended December 31, 2010	2009	2008
	(Millions of dollars, except per share)				
Statement of Operations Data:					
Net Sales	$ 1,268.4	$ 891.8	$ 1,217.6	$ 1,070.1	$ 1,245.8
Cost of goods sold	944.4	731.1	996.1	931.9	1,133.4
Gross Margin	324.0	160.7	221.5	138.2	112.4
Selling, general and administrative expenses	116.6	43.2	59.2	71.7	114.1
Litigation/arbitration settlement	(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)	(39.6)	(47.3)		72.9
Income (Loss) from Operations	221.7	157.1	209.6	25.5	(83.9)
Interest and debt expense(4)	(24.4)	(39.7)	(49.9)	(35.9)	(53.9)
Gain on liquidation of subsidiary(5)		5.3	5.3		
Other expense	(0.1)	(7.2)	(13.6)	(10.3)	(9.5)
Reorganization expense	613.6	(66.7)	(144.8)	(9.5)	
Income (Loss) from Continuing Operations before Income Taxes	810.8	48.8	6.6	(30.2)	(147.3)
Income tax benefit (provision)	(4.0)	(3.0)	(2.0)	1.5	1.8
Income (Loss) from Continuing Operations	806.8	45.8	4.6	(28.7)	(145.5)
Income (Loss) from discontinued operations, net of income tax benefit (provision)(6)	(0.2)	(0.5)	1.2	(9.8)	(189.4)
Net Income (Loss)	$ 806.6	$ 45.3	$ 5.8	$ (38.5)	$ (334.9)
Earnings (Loss) from Continuing Operations per Common Share:					
Basic	$ 45.79	$ 1.11	$ 0.11	$ (0.70)	$ (3.55)
Diluted	$ 44.24	$ 1.11	$ 0.11	$ (0.70)	$ (3.55)
Balance Sheet Data:					
Working capital(7)	$ 404.0	$ 505.5	$ 483.4	$ 488.7	$ (246.7)
Property, plant and equipment, net(1)	519.0	300.8	315.5	313.6	347.3
Total assets	1,587.9	1,116.1	1,097.9	1,117.8	1,044.5
Noncurrent liabilities:					
Long-term debt(7)	422.6	420.8	420.7	423.3	
Environmental remediation and/or restoration(8)	0.5	(68.9)	0.6	0.3	546.0
All other noncurrent liabilities	148.8	47.9	154.0	50.0	125.4
Liabilities subject to compromise		1,050.8	900.3	1,048.4	
Total liabilities	852.3	1,698.3	1,727.9	1,731.0	1,642.0
Total stockholders equity	735.6	(582.2)	(630.0)	(613.2)	(597.5)
Supplemental Information:					
Depreciation and amortization expense	60.9	37.3	50.1	53.1	75.7
Capital expenditures	126.2	26.7	45.0	24.0	34.3
EBITDA(9)	895.9	125.3	107.8	49.0	(207.1)
Adjusted EBITDA(9)	353.9	148.0	203.1	141.5	99.3

(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 2 and 3 to the annual Consolidated Financial Statements of Tronox Incorporated, 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 of Tronox Incorporated.

(4) Excludes $33.3 million, $32.1 million and nil in the years ended December 31, 2010, 2009 and 2008, respectively, and $2.8 million and $24.9 million in the combined nine month period ended September 30, 2011 and nine months ended September 30, 2010, 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 19 to the annual Consolidated Financial Statements included in this registration statement 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 our 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 2 to the annual Consolidated Financial Statements, environmental remediation and/or restoration liabilities were reclassified to Liabilities Subject to Comprise 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:

	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010	Year Ended December 31, 2010	Year Ended December 31, 2009	Year Ended December 31, 2008
	(Millions of dollars, except per share)				
Net income (loss)	$ 806.6	$ 45.3	$ 5.8	$ (38.5)	$ (334.9)
Interest and debt expense	24.4	39.7	49.9	35.9	53.9
Income tax provision (benefit)	4.0	3.0	2.0	(1.5)	(1.8)
Depreciation and amortization expense	60.9	37.3	50.1	53.1	75.7
EBITDA	895.9	125.3	107.8	49.0	(207.1)
Reorganization expense associated with bankruptcy(a)	45.5	66.7	144.8	13.0	
Gain on fresh start accounting	(659.1)				
Noncash gain on liquidation of subsidiary	(0.2)	(5.3)	(5.3)		
Provision for environmental remediation and restoration, net of reimbursements(b)	(4.5)	(39.6)	(47.3)		72.9
(Income) Loss from discontinued operations	0.2	0.5	(1.2)	9.8	189.4
Restructuring costs not associated with the bankruptcy					13.5
Pension and post retirement settlement/curtailments				10.0	26.2
Gain on sale of assets				(1.0)	(25.2)
Impairment charges(d)				0.4	24.9
Unusual or non-recurring items(e)				24.3	
Litigation settlement	(9.8)				
Plant closure costs	0.1	1.5	1.3	24.5	
Fresh start inventory mark-up	35.5				
Stock-based compensation	7.7	0.4	0.5	0.2	0.5
Foreign currency remeasurement	0.9	4.7	11.8	15.1	(6.8)
Transaction costs, registration rights penalty and financial statement costs(f)	35.4				
Other items(g)	6.3	(6.2)	(9.3)	(3.8)	11.0
Adjusted EBITDA	$ 353.9	$ 148.0	$ 203.1	$ 141.5	$ 99.3

(a) Tronox Incorporated has 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 our 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 2 and 3 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.

(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 the Savannah, Georgia, and approximately $21.6 million related to the 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 $17.0 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 $5.2 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 $4.3 million.

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

TRONOX INCORPORATED MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the information contained in the unaudited Condensed Consolidated Interim Financial Statements for Tronox Incorporated for the eight months ended September 30, 2011, one month ended January 31, 2011 and nine months ended September 30, 2010, respectively, and the audited annual Consolidated Financial Statements for Tronox Incorporated for the years ended December 31, 2010, 2009 and 2008 and the related notes thereto. This discussion contains forward-looking statements that involve risks and uncertainties, and actual results could differ materially from those discussed in the forward-looking statements as a result of numerous factors. See Cautionary Note Regarding Forward-Looking Statements.

This Tronox Incorporated Management s Discussion and Analysis of Financial Condition and Results of Operations contains certain financial measures, in particular the presentation of Income (Loss) from Operations, which are not presented in accordance with GAAP. These non-GAAP financial measures are being presented because they provide Tronox Incorporated and readers of this proxy statement/prospectus with additional insight into Tronox Incorporated s operational performance relative to earlier periods and relative to its competitors. We do not intend for these non-GAAP financial measures to be a substitute for any GAAP financial information. Readers of this proxy statement/prospectus should use these non-GAAP financial measures only in conjunction with the comparable GAAP financial measures. Reconciliations of Income (Loss) from Operations to Income (Loss) from Continuing Operations, the most comparable GAAP measure, are provided in this proxy statement/prospectus.

General

As of 2010, Tronox Incorporated was the world s fifth largest producer and marketer of TiO_2 by capacity, which is used in consumer products such as paint, plastic 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. The Hamilton, Mississippi facility is the third largest plant of its kind and 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 Incorporated. The joint venture is an integral aspect of our operations, due to its backward integration into titanium feedstock raw materials. See discussion of the Tiwest Joint Venture below.

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.

The Tiwest Joint Venture. Historically, Tronox Incorporated and Exxaro have operated the Tiwest Joint Venture, which includes a chloride process TiO_2 plant located at the Kwinana Facility, a mining venture in Cooljarloo, Western Australia, and a mineral separation plant and synthetic rutile processing facility, both in Chandala, Western Australia. The Tiwest Joint Venture also includes operations related to heavy minerals production other than titanium bearing ores. The heavy minerals produced by the Tiwest Joint Venture are used by its own mining and separation facilities and sold to other Tronox Incorporated facilities and to those third parties. These include natural rutile, leucoxene and the co-product zircon. Because of the terms of the joint venture agreement governing the Tiwest Joint Venture, it has been proportionately consolidated in Tronox Incorporated s financial statements. The assets in the Tiwest Joint Venture are jointly controlled by Tronox

Incorporated and Exxaro, as each had an undivided interest in them. As a result, Tronox Incorporated s Consolidated Balance Sheets presented in this proxy statement/prospectus include Tronox Incorporated s share of the assets that are jointly controlled and Tronox Incorporated s share of the liabilities for which it is jointly responsible. Tronox Incorporated s Consolidated Statements of Operations include its share of the income and expenses of the Tiwest Joint Venture. Through a separate agreement, Tronox Incorporated is responsible for the marketing of Exxaro s share of the TiO_2 production in which capacity it acts as principal and bears the credit risk for such sales. As a result, the aggregate TiO_2 production allocated to Exxaro has been included in Tronox Incorporated s net sales, and the cost attributable to buying Exxaro s share of TiO_2 production at market price has been included in Tronox Incorporated s cost of goods sold. In connection with the Transaction, Tronox Limited will acquire Exxaro s 50.0% interest in the Tiwest Joint Venture and operate the business as a wholly-owned business, assuming the exchange of all the Exchangeable Shares.

In addition to Tronox Incorporated s pigment business, Tronox Incorporated has other operations that manufacture and market electrolytic and specialty chemical products. Tronox Incorporated s electrolytic and other chemical products businesses produce electrolytic manganese dioxide, 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.

Segment Evaluation. Tronox Incorporated s business has one reportable segment, pigment. The pigment segment primarily produces and markets TiO_2 and has production facilities in the United States, Australia and the Netherlands. Tronox Incorporated s other business line, electrolytic and other chemical products, is comprised of its electrolytic manufacturing and marketing operations. Corporate and other is comprised of corporate activities and businesses that are no longer in operation. Although Tronox Incorporated s electrolytic and other chemical products business line and corporate and other do not constitute reportable segments under Accounting Standards Codification (ASC) 280, Segment Reporting (ASC 280), they are discussed and disclosed separately in this proxy statement/prospectus as management believes that providing this information is useful to the readers.

Tronox Incorporated evaluates the pigment segment s performance separately based on segment operating profit (loss) from operations, which represents the results of segment operations before unallocated costs, such as general corporate expenses not identified to a specific segment, environmental provisions related to sites no longer in operation, interest and debt expense, income tax expense or benefit, reorganization income (expense) and other income (expense). Total income (loss) from operations of our segment and other business lines is a financial measure of our performance, which is not determined in accordance with GAAP, as it excludes the items listed above, all of which are components of Income (Loss) from Continuing Operations, on the Consolidated Statements of Operations, the most comparable GAAP measure.

Overview

Recent Developments

When reading this section, the following points related to our future results of operations should be read in conjunction with the discussion in the Emergence from Chapter 11 and General Factors Affecting the Results of Continuing Operations sections also appearing in this proxy statement/prospectus.

On August 16, 2011, Tronox Incorporated and RTI Hamilton, Inc. reached an agreement in principle to settle their outstanding legal disputes dating back to 2008. The settlement agreement reflects a compromise and settlement of disputed claims in complete accord and satisfaction thereof. RTI Hamilton paid Tronox Incorporated $10.5 million on September 12, 2011, including $0.7 million in payment for capital costs incurred by Tronox Incorporated in relation to the agreement, including interest.

The expansion of the Tiwest Joint Venture TiO_2 plant in Western Australia was completed and commissioned at the end of the second quarter of 2010. The expansion increased TiO_2 production capacity at the plant in Western Australia from 110,000 to 150,000 tonnes per annum. While Tronox Incorporated was in bankruptcy, Exxaro funded the majority of the expansion. Tronox Incorporated bought into its 50.0% share of the TiO_2 plant expansion as of June 30, 2011 for $79.1 million. Going forward, we expect that the increase in tonnes per annum will increase profitability because the additional capacity was acquired at cost.

In March 2011, the Tiwest Joint Venture acquired a steam and electricity gas fired co-generation plant adjacent to its Kwinana pigment plant through a five year finance lease arrangement. Tronox Western Australia Pty Ltd, our wholly-owned subsidiary, owns a 50.0% undivided interest in the co-generation plant through the Tiwest Joint Venture. As a result, Tronox Incorporated incurred additional debt totaling $8.0 million in order to finance its share of the co-generation plant purchase. Under the finance lease arrangement, monthly payments are required and interest accrues on the remaining balance owed at the rate of 6.5% per annum. In connection with the Transaction, the operations of the Tiwest Joint Venture will become wholly-owned by Tronox Limited, and we expect Tronox Limited will continue to experience increased profitability from the plant.

Emergence from Chapter 11

On the Petition Date, the Debtors, including Tronox Incorporated, filed voluntary petitions in the Bankruptcy Court seeking reorganization relief under Bankruptcy Code. The 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), 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. 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.

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 under U.S. federal and applicable state environmental law of the settlement of the Legacy Environmental 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 to apply fresh start accounting and reporting effective as of February 1, 2011 (the Fresh Start Reporting Date). Fresh start accounting and reporting provisions were applied pursuant to ASC 852 and the financial statements as of the Fresh Start Reporting Date and for subsequent periods report the results of Tronox Incorporated with no beginning retained earnings or accumulated deficit. Any presentation of Tronox Incorporated after the Fresh Start Reporting Date represents the financial position and results of operations of a 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 legacy environmental and tort 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.

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 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.

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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 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.

General Factors Affecting the Results of Continuing Operations

The following strategic and operational events during the combined nine month period ended September 30, 2011 and nine months ended September 30, 2010, and for the years ended December 31, 2010, 2009 and 2008, affected Tronox Incorporated s results of continuing operations throughout these periods.

During the fourth quarter of 2010, the Tiwest Joint Venture was impacted by outages experienced by the Kwinana Facility s industrial gas supplier, Air Liquide WA. The Kwinana Facility lost 13 days of production with approximately another 12 days of production at significantly reduced rates. As a result of these outages and the lost production, Tronox Incorporated recorded idle facility charges of $3.3 million during the fourth quarter. Tronox Incorporated is reviewing both contractual and insurance remedies to mitigate the business interruption loss but does not yet have an estimate for any potential recovery.

In December 2009, Tronox Incorporated completed the idling of the Savannah TiO_2 operations. On July 21, 2009, Tronox Incorporated announced its decision to idle the production at its Savannah facility. Tronox Incorporated subsequently removed all proprietary technology related to the TiO_2 operations, wrote down certain inventories to net realizable value and recognized a restructuring charge for severance payments to employees of the Savannah TiO_2 operations. Pursuant to the Plan, the Savannah site was transferred to an environmental response trust upon Tronox Incorporated s emergence from bankruptcy on February 14, 2011. Tronox Incorporated has determined that the Savannah TiO_2 operations do not meet the criteria for discontinued operations treatment. Therefore, the financial results of the Savannah TiO_2 operations are included in the pigment segment. The sulfuric acid operations and other residual costs related to the former sulfate operations are included in Corporate and Other. Historical revenues attributable to our Savannah facility for the years ended December 31, 2010, 2009 and 2008 were $37.4 million, $107.4 million and $267.0 million, respectively.

The EMD antidumping investigations, initiated pursuant to Tronox Incorporated s August 22, 2007 petitions filed with the U.S. Department of Commerce, concluded in 2008. On September 12, 2008, the U.S. International Trade Commission reached final determination and voted unanimously that the U.S. EMD industry has been materially injured by reason of unfair imports from China and Australia. As a result, on October 7, 2008, the U.S. Department of Commerce published final antidumping orders in the Federal Register. Under these antidumping orders, which will remain in effect at least through 2013, U.S. importers of EMD from China and Australia are now required to post antidumping cash deposits equal to 149.92% and 83.66% of the transaction value, respectively. The antidumping orders ensured that the U.S. EMD industry, including Tronox Incorporated, can compete on a fair and equitable basis with its international counterparts which can be seen in our discussion of Results of Operations Discussion by Business Lines for Year Ended December 31, 2009 compared to Year Ended December 31, 2008. After 2013, if the antidumping orders are not renewed, U.S. EMD manufacturers may lose significant market share as a result of unfair EMD import competition. The low-priced imports could suppress prices resulting in reduced margins to Tronox Incorporated.

Tronox Incorporated implemented several initiatives during 2008 to reduce its employee related costs. In the United States, we enacted involuntary workforce reduction programs during the second and fourth quarters of the year. Primarily due to these programs, Tronox Incorporated s worldwide workforce decreased by approximately 200 personnel compared to the prior year. Tronox Incorporated also suspended its employee cash bonus incentive plan and 401(k) matching contribution program, and made additional changes to the cost-sharing provisions under the postretirement benefit plan that took effect beginning on April 1, 2009.

The Tiwest Joint Venture experienced several production difficulties at its Kwinana Facility after a planned shutdown in the spring of 2008. The shutdown had to be extended due to operational difficulties and subsequent challenges that arose during start-up of the plant. Some of these issues continued into the fourth quarter resulting in lower than planned production and higher per unit costs for the year compared to prior and future periods.

Purchase prices for certain chemical products, transportation services and energy increased significantly in 2008. Cost increases were driven in part by the supply and demand dynamics of specific chemicals and in part by the significant increase in the price of oil and thus the products it is used in. The increases were most drastic during the second and third quarters of 2008 and began to moderate late in the year as overall economic activity declined. In the fourth quarter of 2008, the global credit crisis significantly curtailed economic activity and resulted in a global recession in early 2009.

Critical Accounting Policies

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions regarding matters that are inherently uncertain and that ultimately affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. The estimates and assumptions are based on management s experience and understanding of current facts and circumstances. These estimates may differ from actual results. Certain of Tronox Incorporated s accounting policies are considered critical as they are both important to reflect Tronox Incorporated s financial position and results of operations and require significant or complex judgment on the part of management. The following is a summary of certain accounting policies considered critical by the management of Tronox Incorporated.

Long-Lived Assets

Key estimates related to long-lived assets include useful lives, recoverability of carrying values and existence of any retirement obligations. As a result of future decisions, such estimates could be significantly modified. The estimated useful lives of property, plant and equipment range from three to 40 years, and depreciation is recognized on a straight-line basis. Useful lives are estimated based upon Tronox Incorporated s historical experience, engineering estimates and industry information. These estimates include an assumption regarding periodic maintenance and an appropriate level of annual capital expenditures to maintain the assets.

Long-lived assets are evaluated for potential impairment whenever events or changes in circumstances indicate that carrying value may be greater than future net cash flows. Such evaluations involve a significant amount of judgment since the results are based on estimated future events, such as sales prices, costs to produce the products, the economic and regulatory climates and other factors. Tronox Incorporated evaluates impairments by asset group for which the lowest level of independent cash flows can be identified. If the sum of these estimated future cash flows (undiscounted and without interest charges) is less than the carrying amount of the asset, an impairment loss is recognized for the excess of the carrying amount of the asset over its estimated fair value.

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Goodwill and Other Intangible Assets

Goodwill is initially measured as the excess of the purchase price of an acquired entity over the fair value of individual assets acquired and liabilities assumed. Goodwill and other indefinite-lived intangibles are not amortized but are reviewed annually for impairment or more frequently if impairment indicators arise. The annual impairment assessment for goodwill and other indefinite-lived intangible assets is completed at June 30 each year. Intangible assets with finite useful lives are amortized on the straight-line basis over their estimated useful lives. The amortization methods and remaining useful lives are reviewed annually. The carrying amounts are reviewed at each financial year-end to determine whether there is any indication of impairment. At September 30, 2011, Tronox Incorporated did not have any goodwill.

Restructuring and Exit Activities

Tronox Incorporated s restructuring activities in the past have included closing of facilities and work force reduction programs. With the exception of asset retirement obligations, these charges are recorded when management commits to a plan and incurs a liability related to the plan. Estimates for plant closing include the write-down of inventory, write-down of property, plant and equipment, any necessary environmental or regulatory costs, contract termination and severance costs. Asset retirement obligations are recorded in accordance with ASC 410, Asset Retirement and Environmental Obligations. Estimates for work force reductions are recorded based on estimates of the number of positions to be terminated, termination benefits to be provided, estimates of any enhanced benefits provided under pension and postretirement plans and the period over which future service will continue, if any. Tronox Incorporated evaluates the estimates on a quarterly basis and adjust the reserves when information indicates that the estimates are above or below the initial estimates. We cannot predict when or if future restructuring or exit reserves will be required.

Environmental Costs and Other Contingency Reserves

Management makes judgments and estimates in accordance with applicable accounting rules when it establishes reserves for environmental costs, litigation and other contingent matters. Provisions for such matters are charged to expense when it is probable that a liability has been incurred and reasonable estimates of the liability can be made. Estimates of environmental costs, which are based on a variety of matters, including, but not limited to, presently enacted laws and regulations; and the state of any related legal or administrative investigation or proceedings.

Income Taxes

Tronox Incorporated has operations in several countries around the world and is subject to income and similar taxes in these countries. The estimation of the amounts of income tax involves the interpretation of complex tax laws and regulations and how foreign taxes affect domestic taxes, as well as the analysis of the realizability of deferred tax assets, tax audit findings and uncertain tax positions. Although Tronox Incorporated believes its tax accruals are adequate, differences may occur in the future, depending on the resolution of pending and new tax matters.

Deferred tax assets and liabilities are determined based on temporary differences between the financial reporting and tax bases of assets and liabilities using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance is provided against a deferred tax asset when it is more likely than not that all or some portion of the deferred tax asset will not be realized. Tronox Incorporated periodically assesses the likelihood that it will be able to recover its deferred tax assets and reflects any changes in its estimates in the valuation allowance, with a corresponding adjustment to earnings or other comprehensive income (loss) as appropriate. ASC 740, Income Taxes requires that all available positive and negative evidence be weighted to determine whether a valuation allowance should be recorded.

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The amount of income taxes Tronox Incorporated pays is subject to ongoing audits by federal, state and foreign tax authorities, which may result in proposed assessments. Tronox Incorporated s estimate for the potential outcome for any uncertain tax issue is highly judgmental. Tronox Incorporated assesses its income tax positions and records tax benefits for all years subject to examination based upon its evaluation of the facts, circumstances and information available at the reporting date. For those tax positions for which it is more likely than not that a tax benefit will be sustained, Tronox Incorporated records the amount that has a greater than 50.0% likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. Interest and penalties are accrued as part of tax expense, where applicable. If Tronox Incorporated does not believe that it is more likely than not that a tax benefit will be sustained, no tax benefit is recognized.

Pension and Postretirement Accounting

Tronox Incorporated provides pension and postretirement benefits for qualifying employees worldwide. However, Tronox Incorporated froze its U.S. nonqualified and qualified pension benefit plans in 2008 and 2009, respectively. These plans are accounted for and disclosed in accordance with ASC 715*,* Compensation Retirement Benefits.

U.S. Plans

The following are considered significant assumptions related to Tronox Incorporated s retirement and postretirement plans, with a brief description of the methodology used by management to develop the significant assumptions included below:

Discount rate

Expected long-term rate of return (applies to our U.S. qualified plan only)

Rate of compensation increases

Health care cost trend rate

Discount Rate The discount rate selected for all U.S. plans was 5.00% as of December 31, 2010. The rate was selected based on the results of a cash flow matching analysis which projected the expected cash flows of the plans using the yield curves produced by the applicable Citigroup Pension Discount Curves.

Expected Long-term Rate of Return The estimated long-term rate of return assumption used in the determination of net periodic cost for the year ended December 31, 2010, was 7.50%. This rate was developed after reviewing both a capital asset pricing model using historical data and a forecasted earnings model. An expected return analysis is performed which incorporates the current portfolio allocation, historical asset-class returns and an assessment of expected future performance using asset-class risk factors.

Rate of Compensation Increases Tronox Incorporated s estimated rate of compensation increase was 3.50% at December 31, 2010, based on our long-term plans for compensation increases and expected economic conditions, including the effects of merit increases, promotions and general inflation.

Health Care Cost Trend Rates The health care cost trend rates used to measure the expected cost of benefits covered by the postretirement benefit plan is 9.0% in 2011, gradually declining to 5.0% in 2017 and thereafter.

Foreign Benefit Plans

Tronox Incorporated currently provides defined benefit retirement plans (funded) for qualifying employees in the Netherlands. Prior to the deconsolidation of our German subsidiaries in 2009 we also provided defined benefit retirement plans (unfunded) for qualified employees of these subsidiaries. The various assumptions used

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and the attribution of the costs to periods of employee service are fundamental to the measurement of net periodic cost and pension obligations associated with the retirement plans.

The following are considered significant assumptions related to Tronox Incorporated s foreign retirement plans, with brief discussion below:

- Discount rate
- Expected long-term rate of return (applies to our plan in the Netherlands only)
- Rate of compensation increases

The discount rate assumptions of 5.0% as of December 31, 2010 is based on long-term Euro corporate bond index rates that correlate with anticipated cash flows associated with future benefit payments. The expected long-term rate of return assumption for the Netherlands plan (5.75% as of December 31, 2010) is developed considering the portfolio mix and country-specific economic data that includes the expected long-term rates of return on local government and corporate bonds. Tronox Incorporated determines the rate of compensation increases assumption based on its long-term plans for compensation increases specific to employee groups covered.

Other factors considered in developing actuarial valuations include long-term inflation rates, retirement rates, mortality rates and other factors. The expected long-term inflation rates are based on an evaluation of external market indicators. Retirement rates are based primarily on actual plan experience.

Results of Operations

Combined Nine Month Period Ended September 30, 2011 Compared to the Nine Months Ended September 30, 2010

The accompanying condensed consolidated financial statements present separately the periods prior to February 1, 2011 and the periods after the Debtors emergence from bankruptcy to recognize the application of fresh-start accounting. Tronox Incorporated s management believes that combining the Successor and Predecessor periods for the first nine months of 2011, which is a non-GAAP presentation, provides a more meaningful comparison of the 2011 and 2010 results of operations and cash flows when considered with the effects of fresh-start accounting described below. The effects of fresh-start accounting are specifically addressed throughout the discussion of Tronox Incorporated s operating results. References in the following discussion to the combined nine month period ended September 30, 2011 are to the combined Successor and Predecessor periods unless otherwise described as Successor or Predecessor.

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The primary impacts of Tronox Incorporated s reorganization pursuant to the Plan and the adoption of fresh-start accounting on Tronox Incorporated s results of operations are as follows:

Depreciation and amortization expense

Depreciation and amortization expense was higher in the combined nine month period ended September 30, 2011 compared to the nine months ended September 30, 2010 as a result of Tronox Incorporated s revaluation of assets for fresh-start accounting. Revaluation increased depreciation and amortization by $19.8 million for the eight months ended September 30, 2011. Tronox Incorporated s depreciation and amortization, as reported is as follows:

	Successor	Predecessor	
	Eight Months Ended September 30, 2011	One Month Ended January 31, 2011	Nine Months Ended September 30, 2010
		(Millions of dollars)	
Cost of goods sold:			
Depreciation	$ 35.8	$ 3.6	$ 32.7
Amortization	3.6	0.3	2.5
Selling, general and administrative expenses:			
Depreciation	1.7	0.2	2.1
Amortization	15.7		
Total	$ 56.8	$ 4.1	$ 37.3

Interest expense

Lower interest expense in the combined nine month period ended September 30, 2011 compared to the nine months ended September 30, 2010 was largely driven by lower interest rates and lower amortization of debt issuance costs on debtor-in-possession (DIP) facilities. In October 2010, Tronox Incorporated refinanced its $425.0 million senior secured super-priority DIP and Exit Credit Agreement (the Second DIP Facility with Goldman Sachs Lending Partners (GSLP)) into its senior secured super-priority DIP and Exit Credit Agreement (the Final DIP Facility) with GSLP, lowering the interest rate from 9.0% to 7.0%. In addition, in conjunction with the refinancing and the application of fresh-start accounting, the debt issuance costs related to the Second DIP Facility and the Final DIP Facility were written off as of October 21, 2010 and February 1, 2011, respectively. Interest expense, as reported, is as follows:

	Successor	Predecessor	
	Eight Months Ended September 30, 2011	One Month Ended January 31, 2011	Nine Months Ended September 30, 2010
		(Millions of dollars)	
Interest Expense	$ 21.5	$ 2.9	$ 39.7

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Results of Operations

The following table presents Tronox Incorporated s results of operations for the periods indicated.

	Successor	Predecessor	
	Eight Months Ended September 30, 2011	One Month Ended January 31, 2011	Nine Months Ended September 30, 2010
		(Millions of dollars)	
Net Sales	$ 1,160.8	$ 107.6	$ 891.8
Cost of goods sold	862.1	82.3	731.1
Gross Margin	298.7	25.3	160.7
Selling, general and administrative expenses	111.2	5.4	43.2
Litigation/arbitration settlement	(9.8)		
Provision for environmental remediation and restoration, net of reimbursements	(4.5)		(39.6)
Income from Operations	201.8	19.9	157.1
Interest and debt expense	(21.5)	(2.9)	(39.7)
Other income (expense)	(1.7)	1.6	(1.9)
Reorganization income (expense)		613.6	(66.7)
Income from Continuing Operations before Income Taxes	178.6	632.2	48.8
Income tax provision	(3.3)	(0.7)	(3.0)
Income from Continuing Operations	$ 175.3	$ 631.5	$ 45.8

Net sales increased $376.6 million, or 42.2%, to $1,268.4 million for the combined nine month period ended September 30, 2011, from $891.8 million for the nine months ended September 30, 2010. The increase was primarily due to a 80.7% ($303.8 million) increase in selling prices and a 11.5% ($43.3 million) increase in sales volumes. Changes in foreign currency exchange rates and other revenues accounted for increases in net sales of 7.8% ($29.5 million). The change in sales prices and volumes is primarily the result of increased demand as a result of the general global economic recovery and constrained supply of TiO_2 as producers permanently removed capacity during the economic downturn in 2009. These factors have caused a supply and demand situation that has enabled Tronox Incorporated to pass through raw material and other cost increases to customers in higher selling prices. See discussion of net sales by business lines for a further analysis of net sales. Fresh-start accounting had no material impact to net sales.

Gross margin increased $163.3 million, to $324.0 million for the combined nine month period ended September 30, 2011, from $160.7 million during the nine months ended September 30, 2010. Gross margin percentage improved to 25.4% during the nine months ended September 30, 2011, up from 18.0% during the combined nine month period ended September 30, 2010. Gross margin and gross margin percentage improved primarily due to the increased selling prices and sales volumes, discussed above, partially offset by higher costs and unfavorable exchange rate changes. Costs increased due to higher raw material, chemical and energy costs for the combined nine month period ended September 30, 2011. Gross margin includes costs of approximately $35.5 million related to non-cash fresh-start inventory accounting affects. Unfavorable exchange rate effects were primarily due to movements in the Australian dollar versus the U.S. dollar. See discussion of income from operations by business line for further information.

Selling, general and administrative expenses increased $73.4 million, to $116.6 million for the combined nine month period ended September 30, 2011, from $43.2 million during the nine months ended September 30, 2010. The increase was primarily due to increased employee variable compensation and benefit costs, legal, investment banking and professional fees associated with the exiting from bankruptcy and the announced

acquisition of Exxaro s mineral sands business, the preparation of the 2008, 2009 and 2010 audited financial statements including the audits thereof, and the amortization of intangible assets subsequent to fresh start accounting.

For the combined nine month period ended September 30, 2011, employee variable compensation and benefit costs increased approximately $16.3 million due to the implementation of incentive cash and stock compensation programs as well as the post-emergence accounting for pension and postretirement healthcare benefit costs. Costs associated with bankruptcy and the Exxaro mineral sands acquisition, including banker fees, legal and professional fees and the accrual of the registration rights penalty amounted to approximately $24.2 million. Audit and professional fees incurred related to fresh start accounting and the three year audit of Tronox Incorporated s financial statements increased costs by $15.5 million. Amortization of intangible assets was $15.7 million while marketing costs were higher $2.9 million primarily due to higher selling prices. Other items totaled ($1.2) million.

Litigation/arbitration settlement was income of $9.8 million for the eight months ended September 30, 2011 due to the settlement with RTI Hamilton, Inc. Of the total payment of $10.5 million, $0.7 million constitutes payment for capital costs incurred by Tronox Incorporated in relation to the agreement, plus interest.

Provision for environmental remediation and restoration was income of $4.5 million during the combined nine month period ended September 30, 2011, compared to income of $39.6 million during the nine months ended September 30, 2010. In 2011, Tronox Incorporated received additional reimbursements under the Predecessor s environmental insurance policy related to its remediation efforts at the Henderson, Nevada site. In March 2010, Tronox Incorporated recorded a receivable for $40.0 million from its insurance carrier related to environmental clean-up obligations at the Henderson facility. Due to the accounting for the KM Legacy Liabilities, the obligation for this work had been recorded in prior years. The Predecessor was able to record the receivable in 2010 as the work was defined and coverage under the insurance policy was confirmed with the insurance carrier. Amounts received in 2011 included items previously rejected by the insurance carrier and included reimbursements for coverage not previously recovered against and were therefore, not considered in the 2010 accruals. Fresh-start accounting had no material impact on the changes from period to period.

Interest and debt expense decreased by $15.3 million to $24.4 million for the combined nine month period ended September 30, 2011, from $39.7 million during the nine months ended September 30, 2010. The decreased costs are primarily attributable to lower interest rates and lower amortization of debt issuance costs on the exit term loan debt, in existence in 2011 versus the DIP facility debt in existence in 2010. In October 2010, Tronox Incorporated refinanced its Second DIP Facility into its Final DIP Facility, lowering the interest rate from 9.0% to 7.0%. In addition, amortization of debt issuance costs was lower due to debt issuance costs related to the Second DIP Facility and the Final DIP Facility being written off upon the refinancing in October 2010 and the application of fresh-start accounting in February 2011.

Other expense decreased by $1.8 million to $0.1 million for the combined nine month period ended September 30, 2011, from $1.9 million during the combined nine month period ended September 30, 2010. The change was primarily due to foreign currency gains of $0.4 million during the nine months ended September 30, 2011 as compared to foreign currency losses of $7.3 million in the nine months ended September 30, 2010, offset by a decrease in gains on the liquidation of subsidiaries from $5.3 million at September 30, 2010 compared to $0.2 million at September 30, 2011.

Reorganization income (expense) was income of $613.6 million for the combined nine month period ended September 30, 2011 versus $66.7 million of expense for the nine months ended September 30, 2010. The change is primarily the result of the application of fresh-start accounting as of February 1, 2011, which resulted in a $659.1 million gain being recognized due to implementation of fresh-start accounting and the discharge of debt and satisfaction of claims that was only partially offset by $45.5 million of reorganization items including legal and professional fees, claims adjustments and other fees related to the Rights Offering and debt financing. In the nine months ended September 30, 2010, Tronox Incorporated incurred $66.7 million of reorganization expenses including legal and professional fees related to finalizing the Plan and disclosure statement as well as fees related to the DIP financing in place during the period partially offset by gains on rejected contracts and other items related to the ongoing claims reconciliation process. As of emergence, Tronox Incorporated no longer reports reorganization expense, with any residual costs primarily included in selling, general and administrative expenses.

Effective income tax rate In the eight months ended September 30, 2011, the Successor recorded a tax provision of $3.3 million, representing an effective tax rate of 1.8% on pre-tax income of $178.6 million. In the one month ended January 31, 2011, the Predecessor recorded a tax provision of $0.7 million, representing an effective tax rate of 0.1% on pre-tax income of $632.2 million. In the nine months ended September 30, 2010, Tronox Incorporated recorded a tax provision of $3.0 million, representing an effective tax rate of 6.1% on pre-tax income of $48.8 million

The tax provision for the 2011 Successor period differs from the U.S. statutory rate of 35.0% primarily due to valuation allowances in the United States and income in foreign jurisdictions taxed at rates lower than 35.0%. In the United States, the Successor did not record a tax provision due to a valuation allowance, which offset deferred income taxes and net operating losses and prevents Tronox Incorporated from incurring any United States current taxes payable. For the eight months ended September 30, 2011, the rate is additionally impacted by statute lapses in a foreign jurisdiction, which released significant liabilities related to uncertain tax positions.

The tax provisions for the Predecessor periods differ from the U.S. statutory rate of 35.0% primarily due to valuation allowances in multiple jurisdictions and income in foreign jurisdictions taxed at lower rates than 35.0%. In jurisdictions with valuation allowances, Tronox Incorporated did not record tax provisions or benefits due to valuation allowances, which offset deferred taxes and net operating losses and prevented Tronox Incorporated from incurring any current taxes payable.

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Discussion by Business Lines for the Combined Nine Month Period Ended September 30, 2011 Compared to Nine Months Ended September 30, 2010

The following table presents results of operations of each business line for the periods indicated. References to the combined nine month period ended September 30, 2011, in the discussion are to the combined Successor and Predecessor periods unless otherwise indicated.

	Successor	Predecessor	
	Eight Months Ended September 30, 2011	One Month Ended January 31, 2011	Nine Months Ended September 30, 2010
		(Millions of dollars)	
Net Sales			
Pigment segment	$ 1,071.2	$ 93.1	$ 782.7
Electrolytic and other chemical products	88.8	12.1	94.1
Corporate and Other	0.8	2.4	15.0
Total	$ 1,160.8	$ 107.6	$ 891.8
Income from Operations			
Pigment segment	$ 243.0	$ 21.4	$ 124.4
Electrolytic and other chemical products	1.2	0.7	4.4
Corporate and Other	(42.4)	(2.2)	28.3
Total Income from Operations	$ 201.8	$ 19.9	$ 157.1
Interest and debt expense	$ (21.5)	$ (2.9)	$ (39.7)
Other income (expense)	(1.7)	1.6	(1.9)
Reorganization income (expense)		613.6	(66.7)
Income from Continuing Operations before Income Taxes	$ 178.6	$ 632.2	$ 48.8

Net Sales

Pigment segment net sales increased by $381.6 million, or 48.8%, to $1,164.3 million for the combined nine month period ended September 30, 2011, from $782.7 million during the nine months ended September 30, 2010. The increase was primarily due to higher TiO_2 sales prices and volumes, partially offset by unfavorable effects of foreign currency exchange rates and other revenues. Higher sales prices and volumes are primarily the result of the general global economic recovery and constrained supply of TiO_2 as producers permanently removed capacity during the economic downturn in 2009. These factors have caused a supply and demand situation that has enabled Tronox Incorporated to pass through raw material and other cost increases to customers in higher selling prices. Higher pricing resulted in an increase to sales of approximately $299.0 million, while volumes accounted for an increase of $53.0 million. The impact of foreign currency exchange rate changes and other changes increased sales by $29.6 million.

Electrolytic and other chemical products net sales increased by $6.8 million, or 7.2%, to $100.9 million during the combined nine month period ended September 30, 2011, from $94.1 million during the nine months ended September 30, 2010. The increase in sales was due primarily to higher prices and volumes for manganese dioxide and sodium chlorate. Higher pricing is due to maintaining the 2010 price increases despite competitive conditions while higher volumes are due to transportation issues in 2010 that curtailed shipments. Higher pricing accounted for $4.4 million while the effect of higher volumes accounted for $2.4 million.

Corporate and other net sales decreased by $11.8 million, or 78.7%, to $3.2 million for the combined nine month period ended September 30, 2011, from $15.0 million during the nine months ended September 30, 2010.

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Net sales in corporate and other, is primarily attributable to sulfuric acid sales which decreased as a result of the sulfuric acid operation being transferred to an environmental response trust upon emergence from bankruptcy.

Income from Operations

Pigment segment income from operations increased $140.0 million, to $264.4 million for the combined nine month period ended September 30, 2011, from $124.4 million during the nine months ended September 30, 2010. The increase was primarily due to the effects of higher sales prices and volumes partially offset by higher production costs and selling, general and administrative expenses. Higher sales prices and volumes are the result of the general global economic recovery and constrained supply of TiO_2 as discussed above while higher production costs are primarily due to raw material and chemicals prices. Higher selling, general and administrative expenses include $12.9 million of pigment specific intangible asset amortization, as well as the pigment segment s share of increased costs associated with the post-emergence accounting for stock compensation, increased variable compensation and pension and postretirement healthcare benefits. Foreign currency effects on operating profit were unfavorable primarily due to movements in the Australian dollar versus the U.S. dollar. Pricing and volumes were $308.7 million favorable while production costs were $131.2 million unfavorable. Foreign currency effects were unfavorable $12.7 million, and selling, general and administrative expenses and other items were $24.8 million unfavorable.

Electrolytic and other chemical products income from operations decreased $2.5 million, or 56.8%, to $1.9 million for the combined nine month period ended September 30, 2011, from $4.4 million during the same period of the prior year. Decreased profitability was driven by higher production and delivery costs and selling, general and administrative expenses partially offset by the effects of favorable pricing and volumes. Pricing and volumes were favorable $4.4 million, while higher production costs reduced operating profit $5.9 million. Selling, general and administrative and other items were unfavorable $1.0 million. Included in selling, general and administrative expenses was $0.6 million of amortization of customer relationship intangible assets recorded as part of the fresh-start accounting at emergence from bankruptcy.

Corporate and other operating loss increased $72.9 million, to a loss of $44.6 million for the combined nine month period ended September 30, 2011, from income of $28.3 million during the nine months ended September 30, 2010. The increase in income from operations was primarily due to costs associated with bankruptcy and the Exxaro mineral sands acquisition, including banker fees, legal and professional fees and the accrual of the registration rights penalty of approximately $24.2 million. Audit and professional fees incurred related to the three year audit of Tronox Incorporated s financial statements increased costs by $15.5 million. Amortization of intangible assets was $2.2 million in 2011, while marketing costs were higher $2.9 million primarily due to higher selling prices. Other items increased operating loss by $2.4 million. Additionally, during the first quarter of 2010, we recognized a $40.0 million insurance receivable related to clean-up obligations at the Henderson facility, versus recognition of $4.5 million in 2011. Litigation/arbitration settlement was $9.8 million in 2011 versus nil in 2010.

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Year Ended December 31, 2010 Compared to Year Ended December 31, 2009

The following table presents Tronox s Incorporated s results of operations for the periods indicated:

	Year Ended December 31,		
	2010	2009	Change
	(Millions of dollars)		
Net Sales	$ 1,217.6	$ 1,070.1	$ 147.5
Cost of goods sold	996.1	931.9	64.2
Gross Margin	221.5	138.2	83.3
Selling, general and administrative expenses	59.2	71.7	(12.5)
Gain on land sales		(1.0)	1.0
Impairment of long-lived assets		0.4	(0.4)
Restructuring charges		17.3	(17.3)
Net loss on deconsolidation of subsidiary		24.3	(24.3)
Provision for environmental remediation and restoration, net of reimbursements	(47.3)		(47.3)
Income (Loss) from Operations	209.6	25.5	184.1
Interest and debt expense	(49.9)	(35.9)	(14.0)
Gain on liquidation of subsidiary	5.3		5.3
Other expense	(13.6)	(10.3)	(3.3)
Reorganization expense	(144.8)	(9.5)	(135.3)
Income (Loss) from Continuing Operations before Income Taxes	6.6	(30.2)	36.8
Income tax benefit (provision)	(2.0)	1.5	(3.5)
Income (Loss) from Continuing Operations	$ 4.6	$ (28.7)	$ 33.3

Net sales increased $147.5 million, or 13.8%, to $1,217.6 million during the year ended December 31, 2010, from $1,070.1 million during the year ended December 31, 2009. The increase was primarily due to a 12.3% ($131.3 million) increase in selling prices and a 2.6% ($27.7 million) increase in volume, which was partially offset by the unfavorable effects of foreign exchange rates and a slight decline in other revenues that reduced net sales by 1.1% ($11.5 million). The change in sales volumes is primarily the result of recovering industry demand in 2010 as compared to 2009 which had lower sales volumes caused by the recession in 2009 following the global financial crisis in 2008. Higher pricing is also a result of increased global demand coupled with lower industry capacity of TiO_2 as producers had permanently removed capacity and also experienced unplanned production outages. See discussion of net sales by business lines for a further analysis of net sales.

Gross margin increased $83.3 million, or 60.3%, to $221.5 million during the year ended December 31, 2010, from $138.2 million during the year ended December 31, 2009. Gross margin percentage improved to 18.2% during the year ended December 31, 2010, up from 12.9% during the year ended December 31, 2009. Gross margin improved primarily due to the increased selling prices and sales volumes, discussed above, partially offset by higher costs and unfavorable exchange rate changes. Costs increased due in part to higher raw material chemicals and energy costs as well as higher freight costs partially offset by the benefit of having shut down the Savannah TiO_2 facility in 2009. Unfavorable exchange rate effects were primarily due to movements in the Australian dollar versus the U.S. dollar. See discussion of Income (Loss) from Operations by business line for a further analysis of gross margin.

Selling, general and administrative expenses decreased $12.5 million, or 17.4%, to $59.2 million during the year ended December 31, 2010, from $71.7 million during the year ended December 31, 2009. The decrease was primarily due to lower employee compensation and benefit costs of approximately $16.8 million due to reduced headcount, reduced bonus accruals, reduced severance costs, and lower pension and medical costs in

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2010 versus 2009. This was partially offset by increased marketing costs, due to higher sales volumes and prices of $2.6 million, other items of $0.3 million and one-time costs for the maintenance of our headquarters and technical facility in Oklahoma City, Oklahoma of $1.4 million.

Gain on land sales during the year ended December 31, 2010, was zero compared to $1.0 million during the prior year. Parcels of land in Knoxville, Tennessee, and Norman, Oklahoma were sold in 2009.

Impairment of long-lived assets was zero during the year ended December 31, 2010, compared to $0.4 million for the year ended December 31, 2009. The impairment in 2009 was primarily related to the idling of the TiO_2 business at our Savannah plant.

Restructuring charges were zero during the year ended December 31, 2010 compared to $17.3 million in expenses for the year ended December 31, 2009. The restructuring charges in 2009 were primarily a result of severance, early termination benefits under Tronox s U.S. qualified defined benefit plan and asset write-downs, all related to the idling of the TiO_2 business at our Savannah plant.

Net loss on deconsolidation of subsidiaries during the year ended December 31, 2010, was nil compared to $24.3 million during the prior year. The 2009 loss is related to the effect of deconsolidating the assets and liabilities of the German subsidiaries and the impact of writing off receivables from the German subsidiaries not expected to be collected due to their insolvency.

Provision for environmental remediation and restoration was income of $47.3 million during the year ended December 31, 2010, compared to zero for the year ended December 31, 2009. During 2010, we recorded receivables from our insurance carrier related to environmental clean-up obligations at the Henderson facility. Due to the accounting for the KM Legacy Liabilities, the obligation for the cleanup work had been recorded in prior years, but the insurance coverage was confirmed in 2010. In 2009, due to the bankruptcy filing and the accounting for the KM Legacy Liabilities, adjustment to the KM Legacy Liabilities was recorded in reorganization expense.

Interest and debt expense increased $14.0 million to $49.9 million for the year ended December 31, 2010, from $35.9 million during the year ended December 31, 2009. Increased costs are primarily attributable to our Second DIP Facility with GSLP entered into in conjunction with the term sheet in 2009 for the agreed upon framework of the Plan, as well as the Final DIP Facility with GSLP entered into on October 21, 2010. Interest expense for the twelve months ended December 31, 2010 and December 31, 2009 excludes $33.3 and $32.1 million, respectively, of interest on Tronox Incorporated s $350.0 million 9.5% senior unsecured notes due 2012 (the Senior Unsecured Notes), which was no longer being accrued subsequent to the Chapter 11 filing on January 12, 2009.

Gain on liquidation of subsidiaries was $5.3 million for the year ended December 31, 2010 versus nil for the year ended December 31, 2009. The gain in 2010 relates to recognizing the cumulative translation adjustment upon the liquidation of certain European financing and holding companies that were previously set up by Kerr-McGee and that were transferred to Tronox Incorporated when it spun off from Kerr-McGee. These companies had not been utilized in Tronox Incorporated s ongoing operations. Subsequent to Tronox Incorporated s separation from Kerr-McGee, Tronox Incorporated endeavored to eliminate the unneeded companies from its corporate structure.

Other expense increased $3.3 million to $13.6 million for the year ended December 31, 2010, from $10.3 million during the year ended December 31, 2009. The change was primarily due to higher foreign currency losses in 2010 versus the prior year of $4.8 million, a $0.1 million increase in other expenses, partially offset by decreased losses from equity affiliates of $1.6 million during the period.

Reorganization expense increased $135.3 million to $144.8 million for the year ended December 31, 2010, from $9.5 million during the year ended December 31, 2009.

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Reorganization fees in 2010 relate primarily to refinancing Tronox Incorporated s $125 million super-priority senior priming secured revolving facility (the Original DIP Facility), negotiating an asset backed lending agreement, legal and professional fees associated with negotiating the specific terms of the Plan, preparing the disclosure statement, negotiating and filing the environmental settlement agreement as well as the ongoing bankruptcy claims reconciliation process. Going forward we expect that these fees will be significantly lower. Subsequent to the emergence of bankruptcy, these fees, to the extent they are still being incurred, will be recorded as part of SG&A expenses.

Reorganization expenses in 2009 include costs associated with the entry into the Original DIP Facility, the write-off of deferred debt issuance costs associated with the Senior Unsecured Notes and the secured term loans and revolver, costs associated with amending the terms of the Original DIP Facility and negotiating the Second DIP Facility, costs related to our efforts to sell our assets pursuant to section 363 of the Bankruptcy Code, losses incurred in connection with rejecting contracts and leases and professional fees related to the Chapter 11 activities incurred subsequent to the Chapter 11 filing. Included within this $9.5 million is a $75.7 million credit that adjusted the accrued environmental and remediation liabilities to the amount agreed to under the environmental settlement agreement.

Effective income tax rate for the year ended December 31, 2010, Tronox Incorporated recorded a tax provision of $2.0 million, representing an effective tax rate of 30.3% on pre-tax income of $6.6 million. For the year ended December 31, 2009, Tronox Incorporated recorded a tax benefit of $1.5 million, representing an effective tax rate of 5.0% on a pre-tax loss of $30.2 million. The rates in both years are lower than the U.S. statutory rate primarily because of valuation allowances. During 2010, the rate reduction from valuation allowances was significantly offset by capitalized professional fees and the taxation of foreign operations. During 2009, the rate reduction from valuation allowances was partially offset by the equity deconsolidation of a foreign subsidiary. For the year ended December 31, 2010, the tax provision relates primarily to interest accrued on uncertain tax positions. For the year ended December 31, 2009, the net benefit results primarily from statute lapses on prior year accruals, partially offset by interest accrued on uncertain tax positions. The tax rates for both 2010 and 2009 exclude the effects of operations, which are now reported as discontinued.

Discussion by Business Lines for Year Ended December 31, 2010 Compared to Year Ended December 31, 2009

The following table presents Tronox s results of operations of each business line for the periods indicated.

	Year Ended December 31,		
	2010	2009	Change
	(Millions of dollars)		
Net Sales			
Pigment	$ 1,068.2	$ 924.4	$ 143.8
Electrolytic and other chemical products	128.3	127.1	1.2
Corporate and Other	21.1	18.6	2.5
Total	$ 1,217.6	$ 1,070.1	$ 147.5
Income (Loss) from Operations			
Pigment	$ 169.7	$ 43.0	$ 126.7
Electrolytic and other chemical products	5.8	18.0	(12.2)
Corporate and Other	34.1	(35.5)	69.6
Total Income (Loss) from Operations	$ 209.6	$ 25.5	$ 184.1
Interest and debt expense	$ (49.9)	$ (35.9)	$ (14.0)
Gain on liquidation of subsidiary	5.3		5.3
Other expense	(13.6)	(10.3)	(3.3)
Reorganization expense	(144.8)	(9.5)	(135.3)
Income (Loss) from Continuing Operations before Income Taxes	$ 6.6	$ (30.2)	$ 36.8

Net Sales

Pigment segment net sales increased $143.8 million, or 15.6%, to $1,068.2 million during the year ended December 31, 2010, from $924.4 million during the year ended December 31, 2009. The increase was primarily due to a 14.4% ($133.2 million) increase in selling prices, a 2.3% ($21.4 million) increase in volume and a $0.3 million increase in other revenues, which was partially offset by the unfavorable effects of foreign exchange rates that reduced net sales by 1.2% ($11.1 million). The change in sales volumes was primarily the result of recovering industry demand in 2010 as compared to 2009, which had lower sales volumes caused by the recession in 2009 following the global financial crisis in 2008. Higher pricing was also a result of the recovery in demand coupled with lower industry capacity of TiO_2, as producers had permanently removed capacity and also experienced unplanned production outages that created shortages for TiO_2 products.

Electrolytic and other chemical products net sales increased $1.2 million, or 0.9%, to $128.3 million during the year ended December 31, 2010, from $127.1 million during the year ended December 31, 2009. The increase in sales was due to higher volumes of manganese dioxide offset by lower volumes and prices on sodium chlorate. Higher volumes of manganese dioxide were due to growth in the high drain battery market. During 2010, sodium chlorate had an unplanned outage that curtailed production resulting in lost sales opportunities. Higher sales volumes increased net sales by $5.3 million or 4.2%, offset by unfavorable pricing changes that reduced net sales by $4.1 million or 3.2%.

Corporate and other net sales increased $2.5 million or 13.4% to $21.1 million during the year ended December 31, 2010, from $18.6 million during the year ended December 31, 2009. Net sales in Corporate and Other, was primarily attributable to sulfuric acid sales which increased year on year. Other revenues include billings to Exxaro for research and development related to their share of the TiO_2 production from the Tiwest Joint Venture.

Pursuant to the Plan, the sulfuric acid operation was transferred to an environmental response trust effective upon Tronox s emergence from bankruptcy on February 14, 2011. Accordingly, the sulfuric acid plant will no longer be included in Tronox Incorporated s consolidated financial results after emergence.

Income (Loss) from Operations

Pigment segment income from operations increased $126.7 million, to $169.7 million during the year ended December 31, 2010, from $43.0 million during the year ended December 31, 2009. The increase was primarily due to gross margin, which increased $102.5 million, restructuring charges, which decreased by $17.2 million and SG&A expenses which decreased by $7.0 million. Gross margin increased primarily due to the increase in selling prices, discussed above, partially offset by higher costs, as well as the unfavorable effects of foreign exchange rates. Higher costs were driven by increased freight expenses and the higher cost to purchase Exxaro s share of the Tiwest Joint Venture tonnes partially offset by the favorable effects of having shut down the Savannah TiO_2 facility in 2009. Currency exchange rate effects on operating profit were unfavorable primarily due to movements in the Australian dollar versus the U.S. dollar.

SG&A expenses decreased by $7.0 million, primarily due to pigment s share of the lower employee compensation costs discussed above partially offset by higher marketing costs due to higher sales prices and volumes. Decreased restructuring charges were the result of severance, early termination benefits under Tronox Incorporated s U.S. qualified defined benefit plan and asset write-downs, all related to the idling of the Savannah TiO_2 plant in 2009.

Electrolytic and other chemical products businesses income from operations decreased $12.2 million, to $5.8 million for the year ended December 31, 2010, from $18.0 million during the year ended December 31, 2009. The decrease in profitability was driven by lower pricing and higher production costs. Pricing that decreased in the second half of 2009 in response to weak economic conditions and increased competition

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continued into 2010. Higher costs for sodium chlorate were due to higher electricity prices and reduced production from the unplanned outage that curtailed production resulting in higher per unit costs. Higher costs for the manganese dioxide business were due to higher manganese ore costs. In addition, sodium chlorate freight costs were adversely impacted by mandated repairs to sodium chlorate rail cars. Pricing was unfavorable $4.1 million, the effect of volumes and costs decreased operating profit $8.0 million, while SG&A expenses were unfavorable $0.1 million.

Corporate and other income from operations increased $69.6 million, to $34.1 million in profit for the year ended December 31, 2010, from a $35.5 million loss during the year ended December 31, 2009. The loss in 2009 was primarily driven by the recognition of a $24.3 million loss related to the deconsolidation of the German subsidiary. The gain in 2010 was primarily related to the $47.3 million receivable that Tronox Incorporated recognized from its insurance carrier related to environmental clean-up obligations at the Henderson facility. Due to the accounting for the KM Legacy Liabilities, the obligation for the cleanup work had been recorded in prior years. In addition, operating profit of the sulfuric acid business declined $6.9 million due to higher costs, which was partially offset by lower SG&A expenses, due to the reductions discussed above, and other items of $4.9 million.

Year Ended December 31, 2009 Compared to Year Ended December 31, 2008

The following table presents Tronox Incorporated s results of operations for the periods indicated:

	Year Ended December 31,		
	2009	2008	Change
	(Millions of dollars)		
Net Sales	$ 1,070.1	$ 1,245.8	$ (175.7)
Cost of goods sold	931.9	1,133.4	(201.5)
Gross Margin	138.2	112.4	25.8
Selling, general and administrative expenses	71.7	114.1	(42.4)
Gain on land sales	(1.0)	(25.2)	24.2
Impairment of long-lived assets	0.4	24.9	(24.5)
Restructuring charges	17.3	9.6	7.7
Net loss on deconsolidation of subsidiary	24.3		24.3
Provision for environmental remediation and restoration, net of reimbursements		72.9	(72.9)
Income (Loss) from Operations	25.5	(83.9)	109.4
Interest and debt expense	(35.9)	(53.9)	18.0
Other expense	(10.3)	(9.5)	(0.8)
Reorganization expenses	(9.5)		(9.5)
Income (Loss) from Continuing Operations before Income Taxes	(30.2)	(147.3)	117.1
Income tax benefit (provision)	1.5	1.8	(0.3)
Income (Loss) from Continuing Operations	$ (28.7)	$ (145.5)	$ 116.8

Net sales decreased $175.7 million, or 14.1%, to $1,070.1 million during the year ended December 31, 2009, from $1,245.8 million during the year ended December 31, 2008. The decrease was primarily due to lower sales volumes of 13.5% ($168.2 million), unfavorable effects of foreign exchange rates of 0.8% ($10.4 million) and a decline in other revenue that reduced net sales by $3.4 million. This was partially offset by an increase of 0.5% ($6.3 million) in selling prices. The sales volume decline year over year was caused by the global financial crisis at the end of 2008 which resulted in the economic downturn in 2009. See discussion of net sales by business lines for further analysis of net sales.

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Gross margin increased $25.8 million, or 23.0%, to $138.2 million for the year ended December 31, 2009, from $112.4 million during the year ended December 31, 2008. Gross margin percentage improved to 12.9% during the year ended December 31, 2009, up from 9.0% during the year ended December 31, 2008. Gross margin improved primarily due to lower material costs, particularly energy and energy-related impacts on prices for chemicals and other inputs, shipping and handling costs from lower volumes, as well as the net favorable effect of changes in foreign exchange rates. The unfavorable effects of lower sales volumes, as discussed above were also a factor. See discussion of operating profit by business line for a further analysis of gross margin.

Selling, general and administrative expenses decreased $42.4 million, or 37.2%, to $71.7 million during the year ended December 31, 2009, from $114.1 million during the year ended December 31, 2008. The decrease was primarily due to lower compensation and benefit costs and reduced outside services costs as we worked to reduce expenses during bankruptcy. The lower compensation and benefit costs were related to salaries, incentive compensation and postretirement medical benefits, primarily as a result of reduced headcount, postretirement medical benefit and pension costs. The postretirement medical benefits decreased due to plan feature changes in the areas of employee-employer cost sharing provisions and eligibility criteria that were announced in the third quarter of 2007, taking effect from April 1, 2009. Pension cost changes were primarily due to curtailment and settlement charges declining by $12.2 million ($20.0 million in 2008 as compared to $7.8 million in 2009) related to Tronox s U.S. pension plans.

Gain on land sales during the year ended December 31, 2009 was $1.0 million compared to $25.2 million during the prior year. Parcels of land in Knoxville, Tennessee, and Norman, Oklahoma were sold in 2009 while properties sold in 2008 included parcels of land in Henderson, Nevada and Oklahoma City, Oklahoma, a former terminal site in Mobile, Alabama, and several former gas station sites.

Impairment of long-lived assets during the year ended December 31, 2009 was $0.4 million compared to $24.9 million during the same period of the prior year. The impairment in 2009 was primarily related to the closure of the TiO_2 business at the Savannah plant, whereas the 2008 impairments related to additional write-downs of long-lived assets in the Netherlands prompted by the decline in economic activity after the global credit crisis and the onset of a global recession that negatively impacted expected future cash flows.

Restructuring charges were $17.3 million during the year ended December 31, 2009 compared to $9.6 million during the year ended December 31, 2008. In 2009, restructuring charges are primarily related to severance and one-time benefit costs related to the idling of the Savannah facility, as well as inventory and other asset write-downs. In 2008, the charges were related to headcount reductions as previously discussed in General Factors Affecting the Result of Continuing Operations.

Net loss on deconsolidation of subsidiaries was $24.3 million during the year ended December 31, 2009, compared to zero during the prior year. The 2009 loss is related to the effect of deconsolidating the assets and liabilities of the German subsidiaries and the impact of writing off receivables from the German subsidiaries not expected to be collected due to their insolvency.

Provision for environmental remediation and restoration was zero during the year ended December 31, 2009, compared to $72.9 million during the year ended December 31, 2008. In 2008, Tronox Incorporated recorded an additional reserve of $68.7 million related to environmental clean-up obligations at the Henderson facility. The additional remediation work was required by the Nevada Division of Environmental Protection and was in part related to the results of testing and site characterization under the Environmental Conditions Assessment required by the agency. In addition, Tronox Incorporated recorded environmental obligations at other sites amounting to $4.2 million. Due to the settlement, environmental remediation and restoration adjustments in 2009 and thereafter have been recorded in reorganization expense until the Effective Date. Subsequent to the Effective Date, Tronox Incorporated is no longer responsible for the KM Legacy Liabilities.

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Interest and debt expense during the year ended December 31, 2009 was $35.9 million compared to $53.9 million during the year ended December 31, 2008. The decreased costs are primarily attributable to the suspension of accruals of $32.1 million of interest on the Senior Unsecured Notes, $0.7 million decrease in amortization of debt discount and issuance cost, partially offset by a $15.0 million increase in interest under the Original DIP Facility and other debt related fees.

Other expense, net, increased $0.8 million to $10.3 million during year ended December 31, 2009, from $9.5 million during the year ended December 31, 2008. The change was primarily due to a gain on the cancelled accounts receivable securitization program of $0.5 million in 2009 versus losses of $3.0 million in the prior year partially offset by higher foreign currency losses of $6.7 million, a higher loss related to equity method investees of $2.6 million and a decrease in other of $5.0 million. The loss related to equity method investees is primarily due to a decline in real estate values in the Henderson, Nevada area.

Reorganization expenses during the year ended December 31, 2009 were $9.5 million compared to zero during the prior year, as there were no such transactions during the prior year. Reorganization expenses include costs associated with the entry into the Original DIP Facility, the write-off of deferred debt issuance costs associated with the Senior Unsecured Notes and the secured term loans and revolver, costs associated with amending the terms of the Original DIP Facility and negotiating the Second DIP Facility, costs related to our efforts to sell our assets pursuant to section 363 of the Bankruptcy Code, losses incurred in connection with rejecting contracts and leases and professional fees related to the Chapter 11 activities incurred subsequent to the Chapter 11 filing. Included within this $9.5 million is a $75.7 million credit that adjusted the accrued environmental and remediation liabilities to the amount agreed to under the environmental settlement agreement.

Effective income tax rate for the year ended December 31, 2009, Tronox Incorporated recorded a tax benefit of $1.5 million, representing an effective tax rate of 5.0% on a pre-tax loss of $30.2 million. For the year ended December 31, 2008, Tronox Incorporated recorded a tax benefit of $1.8 million, representing an effective tax rate of 1.2% on a pre-tax loss of $147.3 million. The rates in both years are lower than the U.S. statutory rate primarily because of valuation allowances. During 2009, the rate reduction from valuation allowances is partially offset by the equity deconsolidation of a foreign subsidiary. During 2008, the rate is further reduced by the taxation of foreign operations. For the year ended December 31, 2009, the net benefit results primarily from statute lapses on prior year accruals, partially offset by interest accrued on uncertain tax positions. For the year ended December 31, 2008, the net benefit results primarily from book losses in taxpaying foreign jurisdictions partially offset by interest accrued on uncertain tax positions.

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Discussion by Business Lines for Year Ended December 31, 2009 Compared to Year Ended December 31, 2008

The following table presents Tronox Incorporated s results of operations of each business line for the periods indicated.

	Year Ended December 31,		
	2009	2008	Change
	(Millions of dollars)		
Net Sales			
Pigment	$ 924.4	$ 1,067.5	$ (143.1)
Electrolytic and other chemical products	127.1	120.9	6.2
Corporate and Other	18.6	57.4	(38.8)
Total	$ 1,070.1	$ 1,245.8	$ (175.7)
Income (Loss) from Operations			
Pigment	$ 43.0	$ (10.0)	$ 53.0
Electrolytic and other chemical products	18.0	3.9	14.1
Corporate and Other	(35.5)	(77.8)	42.3
Total Income (Loss) from Operations	$ 25.5	$ (83.9)	$ 109.4
Interest and debt expense	$ (35.9)	$ (53.9)	$ 18.0
Other expense	(10.3)	(9.5)	(0.8)
Reorganization expense	(9.5)		(9.5)
Income (Loss) from Continuing Operations before Income Taxes	$ (30.2)	$ (147.3)	$ 117.1

Net Sales

Pigment segment net sales decreased $143.1 million, or 13.4%, to $924.4 million during the year ended December 31, 2009, from $1,067.5 million during the year ended December 31, 2008. The decrease was primarily due to a 13.3% ($142.1 million) decrease in sales volumes, the unfavorable effects of foreign exchange rates of 1.0% ($10.4 million) and a $2.0 million decrease in other revenue, which was partially offset by a slightly favorable increase of 1.1% ($11.4 million) in selling prices. The sales volume decline was primarily the result of the global financial crisis at the end of 2008 which resulted in the economic downturn in 2009.

Electrolytic and other chemical products net sales increased $6.2 million, or 5.1%, to $127.1 million during the year ended December 31, 2009, from $120.9 million during the year ended December 31, 2008. The increase in sales was due to higher prices on manganese dioxide and sodium chlorate partially offset by lower volumes on manganese dioxide, lithium manganese oxide and sodium chlorate. Higher pricing is due to the pass through of higher costs to customers and contributed $25.1 million or 20.7% to net sales while lower sales volumes decreased net sales by $18.8 million or 15.6%.

Corporate and other net sales decreased $38.8 million or 67.6% to $18.6 million during the year ended December 31, 2009, from $57.4 million during the year ended December 31, 2008. The decline in net sales is primarily attributable to sulfuric acid selling prices which decreased 52.4% ($30.1 million) and a decrease of 12.7% ($7.3 million) in sales volumes.

Pursuant to the Plan, the sulfuric acid operation was transferred to an environmental response trust effective upon Tronox Incorporated s emergence from bankruptcy on February 14, 2011. Accordingly, the sulfuric acid plant is no longer included in Tronox s consolidated financial results after emergence.

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Income (Loss) from Operations

Pigment segment income from operations increased $53.0 million, to $43.0 million during the year ended December 31, 2009, from a loss of $10.0 million during the year ended December 31, 2008. A significant portion of the increase was due to asset impairment charges of $24.9 million recorded in 2008 versus the $0.4 million recorded in 2009, a decrease of $24.5 million. These impairment charges were related to the Savannah and Botlek facilities. This was slightly offset by the increase of $16.2 million in restructuring charges. These restructuring charges are primarily due to severance and one-time benefit costs related to the idling of the Savannah facility as well as inventory and other asset write-downs. The net year on year change of impairment and restructuring charges increased operating profit by $8.3 million.

Excluding the restructuring and impairment effects described above, pigment segment operating profit increased $44.7 million. The increase was due to gross margin, which increased $20.8 million, lower selling general and administrative costs of $20.3 million and $3.6 million of other changes which favorably impacted operating profit. Gross margin improved primarily due to lower production costs, particularly for energy and energy-related impacts on chemicals and other inputs, lower shipping and handling expenses as well as the net favorable effect of changes in foreign exchange rates primarily movements in the Australian dollar versus the U.S. dollar. The net effect on gross margin of lower sales volumes were mostly offset by the favorable impact of higher selling prices. SG&A expenses decreased $20.3 million primarily due to the pigment segment s share of the lower compensation and benefit costs, discussed above, lower marketing costs, due to reduced volumes, as well as the other cost reductions initiated by Tronox Incorporated. Overall, pricing effects were favorable $11.4 million while volume was unfavorable $12.0 million. Cost effects were net favorable $7.6 million while exchange rate effects were favorable $13.3 million.

Electrolytic and Other Chemical Products businesses income from operations increased $14.1 million, to $18.0 million for the year ended December 31, 2009, from $3.9 million during the year ended December 31, 2008. Increased profitability was driven by improved pricing, lower SG&A expenses and reduced restructuring costs. These effects were partially offset by higher manufacturing costs primarily on sodium chlorate and lower sales volumes due to the economic environment in 2009. Overall the pricing improved due to the ability to pass through higher input costs on to customers. While pricing was favorable $25.1 million, costs and volume decreased gross margin $13.9 million. In addition, SG&A, restructuring and other expenses decreased by $2.9 million.

Corporate and Other loss from operations decreased $42.3 million, to $35.5 million for the year ended December 31, 2009, from $77.8 million during the year ended December 31, 2008. The decreased loss was driven, in part, by several one-time items such as the recognition of $72.9 million of environmental remediation and restoration reserves in 2008, the $24.3 million loss on deconsolidation of the German subsidiaries in 2009 and lower gains from the sale of land of $1.0 million in 2009, compared to a $25.2 million gain in 2008 resulting in an unfavorable impact of $24.2 million.

Also the change was impacted by a net decrease in sulfuric acid income from operations of $8.1 million. Corporate and Other s income from operations was favorably impacted by a decrease in SG&A, restructuring and other expenses of $26.0 million resulting primarily from lower compensation and benefit costs related to salaries, incentive compensation and post retirement healthcare benefits including reduced charges for our U.S. qualified defined benefit plan.

Outlook

Pigment Outlook

In 2010, Tronox Incorporated was the fifth largest producer and marketer of TiO_2. In 2010, the five largest producers and marketers of TiO_2 accounted for more than 60% of the industry capacity. We consider TiO_2 to be a quality-of-life product, with demand affected by GDP and overall economic conditions in our markets located in various regions of the world. Over the long-term, we expect demand for TiO_2 to grow by approximately 3% to 4% per year. This is consistent with our expectations for the long-term growth in global 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 our customers.

In the near term, we anticipate that global market demand will moderate in line with seasonal demand and downstream inventory management patterns. We also anticipate that demand in China will continue to grow at a slower rate, which will allow us to normalize our inventory levels and enable us to better meet the needs of our customers. We have experienced moderate growth in the overall demand for TiO_2 in 2011 versus 2010, and we expect that Tronox Incorporated s sales volume will reflect a similar trend for the full year.

Electrolytic and Other Chemical Products

The outlook for advanced battery materials remains positive supported by the growth of digital devices and demand for improved battery performance. With the imposition of anti-dumping orders against Chinese and Australian EMD imports into the United States, EMD supply and demand is expected to remain in balance, leading to improved United States industry profitability.

We believe the market for boron specialties remains positive supported by the increasing demand for LCD TV s, solar devices, semi-conductors and expanding pharmaceutical applications. We expect the chlorate market to remain in balance as supply remains challenged by increasing energy and transportation costs partly offsetting any reductions in the North American pulp and paper market.

Financial Condition and Liquidity

The following table provides information for the analysis of Tronox Incorporated s historical financial condition and liquidity:

	Successor	Predecessor
	September 30, 2011	December 31, 2010
	(Millions of dollars)	
Cash and cash equivalents	$ 130.6	$ 141.7
Working capital(1)	404.0	483.4
Total assets	1,587.9	1,097.9
Total long-term debt(2)	$ 428.4	$ 425.0

(1) Represents excess of current assets over current liabilities.
(2) Excludes the $350.0 million of Senior Unsecured Notes classified as Liabilities subject to compromise on the Consolidated Balance Sheet at December 31, 2010. Includes $5.8 million and $4.3 million of long-term debt due within one year at September 30, 2011 and December 31, 2010, respectively.

As of September 30, 2011, Tronox Incorporated s total liquidity was $234.3 million which was comprised of $103.7 million available under our $125.0 million Asset Based Lending Facility (the Wells Revolver) and $130.6 million in cash and cash equivalents. As of September 30, 2011, Tronox Incorporated had no amounts drawn on the Wells Revolver, but had $22.3 million of committed letters of credit, of which $17.2 million were against the Wells Revolver. During the period, cash and cash equivalents decreased $11.1 million, reflecting the effect of Tronox Incorporated s emergence from bankruptcy as well as the improved cash flow from operations since emergence, offset by Tronox Incorporated buying into the Tiwest Joint Venture expansion during the period. In addition, working capital decreased $80.3 million also reflecting the effects of Tronox Incorporated s emergence from bankruptcy, including the release of the Settlement Escrow of $35.0 million and the release of cash security on letters of credit and surety bonds, some of which transferred to the environmental response trust as a part of the settlement and others that reverted to Tronox Incorporated.

The following is a summary of cash and cash equivalents held in the respective jurisdictions at September 30, 2011: United States $49.6 million, Australia $51.6 million and Europe $29.4 million.

Tronox Incorporated s Exit Facility and the Wells Revolver generally limit the transfer of funds from subsidiaries in the United States to foreign subsidiaries; however, there generally are no restrictions on transferring funds among the foreign subsidiaries themselves or to the United States. Transfers of funds among jurisdictions may be subject to local restrictions of the individual subsidiaries and/or may be subject to taxation in certain jurisdictions. Currently, and in connection with the Transaction, Tronox Incorporated intends to put in place a financing structure and amend its credit facilities to accommodate the local capital needs of the combined company and allow for the flow of funds subject to local restrictions. There can be no assurance that such facilities will be available to Tronox Incorporated or at terms and conditions satisfactory to it.

During the fourth quarter of 2011, Tronox Incorporated s anticipated use of cash includes servicing its interest and debt repayment obligations, pension contributions, as well as certain capital expenditures for innovative initiatives, productivity enhancements and maintenance and safety requirements. In the near term, to the extent it is necessary to fund certain demands of Tronox Incorporated s operations or to support revenue growth, an additional use of cash may be needed for working capital. New sources of liquidity may include additional drawings on the Wells Revolver, financing other assets, and/or non-core asset sales, all of which are allowable, with certain limitations, under Tronox Incorporated s existing credit agreements.

In summary, we expect that Tronox Incorporated s cash on hand, coupled with future cash flows from operations and other sources of liquidity, including the Wells Revolver, will provide sufficient liquidity to allow Tronox Incorporated to meet its projected cash requirements.

Cash Flows

The following table presents Tronox Incorporated s cash flows for the eight months ended September 30, 2011, one month ended January 1, 2011 and the nine months ended September 30, 2010:

	Successor	Predecessor	
	Eight Months Ended September 30, 2011	One Month Ended January 31, 2011	Nine Months Ended September 30, 2010
		(Millions of dollars)	
Net cash provided by (used in) operating activities	$ 217.6	$ (283.1)	$ 55.1
Net cash used in investing activities	(120.2)	(5.5)	(26.7)
Net cash provided by financing activities	(25.8)	207.6	(15.4)
Effect of exchange rate changes on cash	(2.0)	0.3	.3
Net increase (decrease) in cash and cash equivalents	$ 69.6	$ (80.7)	$ 13.3

Cash Flows from Operating Activities Cash flows from operating activities for the combined nine month period ended September 30, 2011 were a use of funds of $65.5 million compared to a source of funds of $55.1 million for the nine months ended September 30, 2010. The $120.6 million increase in cash used for operating activities during the combined nine month period ended September 30, 2011 reflects the effects of Tronox Incorporated s emergence from bankruptcy including the funding of the environmental response and tort trusts, the payment of claims and professional fees in cash, and clearance of its liabilities subject to compromise, and others that reverted to Tronox Incorporated as it reorganized its operations and emerged from bankruptcy. These costs were only partially offset by an increase to Tronox Incorporated s net income and working capital components during this period.

Cash Flows from Investing Activities Net cash used in investing activities increased $99.0 million, to $125.7 million for the combined nine month period ended September 30, 2011, compared to $26.7 million for the nine months ended September 30, 2010. The increase was due to a $99.5 million increase in capital expenditures during the combined nine month period ended September 30, 2011, which consisted of Tronox Incorporated s buy-in to the completed expansion of the Tiwest Joint Venture s Kwinana Facility in Western Australia for $79.1 million, as well as equipment purchases at Botlek.

Tronox Incorporated s capital expenditures for 2011 are expected to be in the range of $50.0 million to $55.0 million, excluding the Verve Energy investment and the buy-in to the completed expansion of the Tiwest Joint Venture s Kwinana plant in Western Australia. Under the terms of Tronox Incorporated s Exit Successor Credit Agreement, capital expenditures are generally limited to $55.0 million, excluding the items discussed above, with a carry-forward of the excess of the $55.0 million over the amount utilized in the prior year, but with no more than $15.0 million being able to be carried forward. For 2011, Tronox Incorporated has a carryover of approximately $7.5 million from 2010 and, as such, has a limit on capital expenditures of approximately $62.5 million in 2011.

Cash Flows from Financing Activities Net cash provided by financing activities increased $197.2 million, to a source of funds of $181.8 million for the combined nine month period ended September 30, 2011 from a use of funds of $15.4 million for the nine months ended September 30, 2010. The increase was primarily due to the receipt of $185.0 million in proceeds from the Rights Offering that Tronox Incorporated executed in conjunction with its emergence from bankruptcy, as well as $47.0 million in proceeds from borrowings. These proceeds were only partially offset by the payoff of a $25.0 million note payable and $26.5 million in debt principal and issue cost payments during this period.

Year Ended December 31, 2010 Compared to Year Ended December 31, 2009 Compared to Year Ended December 31, 2008

The following table provides information for the analysis of Tronox Incorporated s historical financial condition and liquidity:

	At December 31, 2010	2009	2008
	(Millions of dollars)		
Cash and cash equivalents	$ 141.7	$ 143.3	$ 49.8
Working capital(1)(2)	483.4	488.7	(246.7)
Total assets	1,097.9	1,117.8	1,044.5
Total debt(2)(3)	$ 775.0	$ 775.0	$ 562.8

(1) Represents excess of current assets over current liabilities.

(2) Tronox Incorporated s outstanding debt of $562.8 million was classified as current obligations as of December 31, 2008, resulting in negative working capital. See discussion under the Capital Resources section below.

(3) Excludes the Senior Unsecured Notes classified as a Liability subject to compromise on the Tronox Incorporated Consolidated Balance Sheets as of December 31, 2010 and 2009, respectively.

Cash Flows

The following table presents Tronox Incorporated s cash flows for the periods indicated:

	Year Ended December 31, 2010	2009	2008
	(Millions of dollars)		
Net cash provided by (used in) operating activities	$ 76.9	$ (54.5)	$ (32.8)
Net cash used in investing activities	(45.0)	(22.8)	(8.4)
Net cash provided by (used in) financing activities	(32.2)	171.6	68.8
Effect of exchange rate changes on cash	(1.3)	(0.8)	1.2
Net increase (decrease) in cash and cash equivalents	$ (1.6)	$ 93.5	$ 28.8

Cash Flows from Operating Activities. Cash flows from operating activities for 2010 were a source of funds of $76.9 million compared to a use of funds of $54.5 million for 2009. The $131.4 million increase in cash flows from operating activities was due primarily to improved income from continuing operations in 2010 versus losses from operations in 2009. In addition, during the 2009, Tronox Incorporated funded a $35.0 million escrow account for the environmental response trusts and contributed $82.7 million to cash collateralize existing letters of credit at the time of refinancing the Original DIP Facility in 2009. This was partially offset by increased environmental remediation spending at several sites, during 2010, as required by the parties to the environmental settlement agreement.

Net cash used in operating activities for 2009 was $54.5 million compared to a use of funds of $32.8 million for 2008. The $21.7 million increase in cash flows used in operating activities in 2009 was primarily due to the funding of a $35.0 million escrow account for the environmental response trusts and contributed $82.7 million to cash collateralize existing letters of credit at the time of refinancing the Original DIP Facility in 2009. The increase was partially offset by improved income from operations in 2009 versus 2008 in part due to lower selling, general and administrative expenses and manufacturing efficiencies.

Cash Flows from Investing Activities. Net cash used in investing activities increased $22.2 million, to $45.0 million for the year ended December 31, 2010, compared to $22.8 million for the year ended December 31, 2009. The increase was primarily due to a $21.0 million increase in capital expenditures in 2010 and a decrease in proceeds from the sale of assets of $1.2 million.

Net cash used in investing activities for the year ended December 31, 2009 was $22.8 million, an increase of $14.4 million compared to $8.4 million for the year ended December 31, 2008. The increase was primarily due to a $24.7 decrease in proceeds from the sale of assets, offset by a $10.3 million decrease in capital expenditures in 2009.

Cash Flows from Financing Activities. Net cash used in financing activities was $32.2 million for the year ended December 31, 2010 and net cash provided by financing activities was $171.6 for the year ended December 31, 2009. In 2010, Tronox Incorporated paid $15.4 million in fees related to the refinancing of its DIP and exit facilities, obtaining the Wells Revolver and other fees associated with the Rights Offering pursuant to the Plan. In 2009, the source of funds from financing activities was primarily due to the $65.0 million in proceeds from the Original DIP Facility, $425.0 million in proceeds from the Second DIP Facility, partially offset by $272.8 million of debt repayments on the term loan and Original DIP Facility and $45.6 million in debt issuance and reorganization related costs.

Net cash provided by financing activities for the year ended December 31, 2009 was $171.6 million compared to $68.8 million in 2008. The increase in cash provided was due to the $425.0 million in proceeds from the Second DIP Facility, net of repayments on the term loan and Original DIP Facility.

Capital Resources

Exit Successor Credit Agreement

On February 14, 2011, the Final DIP Facility, in accordance with its terms, converted into Tronox Incorporated s $425.0 million exit facility (the Exit Financing Facility) under substantially the same terms and conditions that existed under the Final DIP Facility, with a maturity date of October 21, 2015.

The Exit Financing Facility is secured by the same assets as the Final DIP Facility, subject however to certain subordination agreements (as more fully described below under the heading Asset Based Lending Facility). Tronox Incorporated was in compliance with its financial covenants at September 30, 2011.

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Asset Based Lending Facility

On February 14, 2011, Tronox Incorporated also entered into the Wells Revolver, a senior secured asset-based revolving credit facility with Wells Fargo Capital Finance, LLC with a maturity date of February 14, 2015. The Wells Revolver provides Tronox Incorporated with a committed source of capital with a principal borrowing amount of up to $125.0 million subject to a borrowing base, and also permits an expansion of up to $150.0 million. Borrowing availability under the Wells Revolver is subject to a borrowing base related to certain eligible inventory and receivables held by our U.S. subsidiaries. As of September 30, 2011, our borrowing base was $120.9 million, less letters of credit outstanding of $17.2 million, for a total net availability of $103.7 million.

Borrowings under the Wells Revolver are secured by a first priority lien on substantially all of Tronox Incorporated s and its subsidiary guarantors existing and future deposit accounts, inventory and receivables, and certain related assets, and a second priority lien on all of Tronox Incorporated s and its subsidiary guarantors other assets, including capital stock which serve as security under the Exit Term Facility.

The Wells Revolver bears interest at Tronox Incorporated s option at either (i) the greater of the prime lending rate as announced by Wells Fargo Bank, N.A., (ii) the Federal Funds Rate plus 0.50%, or (iii) the one month LIBOR rate plus 0.50%, plus a margin that varies from 2.0% to 3.5% per annum depending on the average excess availability under the revolver. The unused portion of the Wells Revolver is subject to a commitment fee of 0.75% per annum on the average unused portion of the revolver, payable monthly in arrears. Interest is payable quarterly or, if the prime lending rate or Federal Funds Rate applies, is payable monthly.

The Wells Revolver contains various covenants and restrictive provisions which limit Tronox Incorporated s ability to incur additional indebtedness. The Wells Revolver agreement requires Tronox Incorporated to maintain a Consolidated Fixed Charge Coverage Ratio of 1.0 to 1.0 calculated monthly, only if excess availability on the Wells Revolver is less than $18.75 million. If Tronox Incorporated is required to maintain the Consolidated Fixed Charge Coverage Ratio then either: (i) the Consolidated Adjusted EBITDAR (earnings before interest, taxes, depreciation amortization and reorganization expenses) for the test period shall not be less than the Specified EBITDAR percentage of 65.0% of the Consolidated Adjusted EBITDAR of Tronox Incorporated and its subsidiaries for all periods ending on or prior to December 31, 2012 or (ii) the Consolidated Adjusted EBITDAR during the test period shall not be less than the Specified EBITDAR threshold of $100.0 million; provided that the Specified EBITDAR threshold shall be reduced by $1.25 million on the last day of each month, commencing on January 31, 2012 and ending on December 31, 2012, until such time as the Specified Adjusted EBITDAR threshold is reduced to $85.0 million. On September 30, 2011, Tronox Incorporated was in compliance with its financial covenants.

The Wells Revolver and the Exit Financing Facility are subject to an intercreditor agreement pursuant to which the lenders respective rights and interest in the security are set forth.

Any acceleration in the repayment of our indebtedness or related foreclosure could adversely affect our business.

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Financial Covenants

Tronox Incorporated has financial covenants on the Exit Financing Facility and Wells Revolver. The Exit Financing Facility with Goldman Sachs has the following covenants:

Fiscal Quarter Ending	Total Leverage Ratio (not to exceed)
December 31, 2010 through December 31, 2011	4.25:1.00
March 31, 2012 through December 31, 2012	4.00:1.00
March 31, 2013 through December 31, 2013	3.75:1.00
March 31, 2014 and thereafter	3.50:1.00

Fiscal Quarter Ending	Interest Coverage Ratio (not to be less than)
December 31, 2010 and thereafter	2.50:1.00

The Wells Revolver contains various covenants and restrictive provisions which limit Tronox Incorporated s ability to incur additional indebtedness. The Wells Revolver agreement requires Tronox Incorporated to maintain a Consolidated Fixed Charge Coverage Ratio of 1.0 to 1.0 calculated monthly, only if excess availability on the Wells Revolver is less than $18.75 million. If Tronox Incorporated is required to maintain the Consolidated Fixed Charge Coverage Ratio then either: (i) the Consolidated Adjusted EBITDAR for the test period shall not be less than the Specified EBITDAR percentage of 65% of the Consolidated Adjusted EBITDAR of the Tronox Incorporated and its subsidiaries for all periods ending on or prior to December 31, 2012 or (ii) the Consolidated Adjusted EBITDAR during the test period shall not be less than the Specified EBITDAR threshold of $100.0 million; provided that the Specified EBITDAR threshold shall be reduced by $1.25 million on the last day of each month, commencing on January 31, 2012 and ending on December 31, 2012, until such time as the Specified Adjusted EBITDAR threshold is reduced to $85.0 million.

The Wells Revolver and the Exit Financing Facility are subject to an intercreditor agreement pursuant to which the lenders respective rights and interests in the security are set forth.

Tronox Incorporated was in compliance with its financial covenants at September 30, 2011 and December 31, 2010. A breach of any of the covenants imposed on Tronox Incorporated by the terms of the Exit Financing Facility or Wells Revolver could result in a default under the agreement. In the event of a default, the lenders could terminate their commitments to Tronox Incorporated and could accelerate the repayment of all of Tronox Incorporated s indebtedness under the agreement. In such case, Tronox Incorporated may not have sufficient funds to pay the total amount of accelerated obligations, and its lenders could proceed against the collateral pledged.

Exit Facility Refinancing and Wells Revolver Amendment

Completion of the Transaction would constitute a breach of certain covenants contained in the Exit Financing Facility and the Wells Revolver. Therefore, in connection with the Transaction, Tronox Incorporated has obtained committed financing from Goldman Sachs Bank USA to refinance its existing Exit Financing Facility. Prior to the closing of the Transaction, Tronox Incorporated expects to refinance its existing Senior Secured Term Loan with a new Goldman Sachs facility comprised of a $550 million Senior Secured Term Loan and a $150.0 million Senior Secured Delayed Draw Term Loan (together, the Term Facility). The Term Facility will expressly permit the Transaction and together with existing cash is expected to fund the cash needs of the combined business, including any cash needs arising from the Transaction.

The Term Facility is expected to bear interest at a base rate plus a margin of 2.25% or adjusted Eurodollar rate plus a margin of 3.25%. The base rate is expected to be defined as the greater of (i) the prime lending rate as quoted in the print edition of The Wall Street Journal, (ii) the Federal Funds Rate plus 0.50%. The base rate will

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include a 2% floor and the Eurodollar rate will include a 1% floor. Interest was payable quarterly or, if the adjusted Eurodollar rate applied, it was payable on the last day of each interest period.

The Term Facility is expected to be secured by a first priority lien on substantially all of Tronox Incorporated s and the subsidiary guarantors existing and future property and assets. This will include, upon the consummation of the Transaction, certain assets to be acquired in the Transaction.

The terms of the Term Facility will provide for customary representations and warranties, affirmative and negative covenants and events of default. The terms of the covenants, subject to certain exceptions, restrict, among other things: (i) debt incurrence; (ii) lien incurrence; (iii) investments, dividends and distributions; (iv) dispositions of assets and subsidiary interests; (v) acquisitions; (vi) sale and leaseback transactions; and (vii) transactions with affiliates and shareholders. In addition, the Term Facility will require that a leverage ratio, as defined in the agreement, not exceed, as of the last day of any fiscal quarter, the correlative ratio as follows:

Fiscal Quarter Ending	Total Leverage Ratio
March 31, 2012 through December 31, 2015	3.00:1.00
March 31, 2016 and thereafter	2.75:1.00

In addition, Tronox Incorporated expects to amend the Wells Revolver to allow for the Transaction to occur while keeping the revolver in force.

Subsequent to the Transaction, New Tronox will have the opportunity to upsize or add additional asset based lending facilities in foreign jurisdictions up to a total limit of $400.0 million.

Rights Offering

On February 14, 2011, Tronox Incorporated received $185.0 million of new equity investment in the Rights Offering that was open to certain general unsecured creditors. Under the Plan, the general unsecured creditors were given rights to purchase up to 45.5% of the New Common Stock issued on the Effective Date, based on a 17.6% discount to Tronox Incorporated s total enterprise value of $1,062.5 million as presented in the Plan. The backstop parties, a group of holders of the Senior Unsecured Notes, committed to purchase any of the New Common Stock that was not subscribed to in the Rights Offering, thereby assuring that we received the full $185.0 million. In return for this commitment, the backstop parties received consideration equal to 8.0% of the $185.0 million equity commitment (payable as an additional 3.6% of the New Common Stock issued on the Effective Date).

Receivables Securitization

In September 2007, Tronox Incorporated executed a $100.0 million accounts receivable securitization program (the Program) with an initial term of one year. Under the initial terms of the agreement, financing could be extended for an additional two years in the form of a securitization or a secured borrowing as determined by the sponsoring institution, Royal Bank of Scotland (RBS). Tronox Incorporated subsequently entered into multiple amendments for the purpose of extending the Program s termination date to January 9, 2009, or immediately prior to the Chapter 11 filing. On January 14, 2009, using proceeds from the Original DIP Facility, Tronox Incorporated remitted $41.1 million to RBS to repurchase RBS interest in the receivables. Upon receipt of the payment, RBS released its interest in the receivables and the lockbox cash accounts to which collections on the receivables are deposited. The Program was terminated with the entire $41.1 million balance in transferred receivables repurchased and fully collected from customers by Tronox Incorporated.

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Liquidity

Tronox Incorporated s primary cash needs historically have been for working capital, capital expenditures, environmental cash expenditures and debt service. When Tronox Incorporated emerged from bankruptcy on February 14, 2011, Tronox Incorporated also required cash to fund completion of the Plan, the funds for which came from existing cash balances, the $185.0 million Rights Offering and proceeds from the Exit Financing Facility and Wells Revolver. Completion of the Plan and Tronox Incorporated s emergence from bankruptcy significantly de-levered its capital structure and absolved Tronox Incorporated from any further commitments to fund the KM Legacy Liabilities.

Tronox Incorporated expects to fund ongoing liquidity requirements through a combination of cash flows from operations and borrowings under the Wells Revolver. We believe that Tronox Incorporated s cash and cash equivalents, together with the Wells Revolver and cash flow from operations, will provide Tronox Incorporated with sufficient financing to meet capital expenditures, working capital, debt service, contractual obligations and other funding requirements. Tronox Incorporated s ability to meet funding requirements will depend upon many factors outside of its control, including prevailing economic conditions, the costs of raw materials, market interest rates as well as competitive, legislative, regulatory and other factors described under Risk Factors.

In the future, Tronox Incorporated may also require additional capital to finance its growth, fund research and development and implement additional marketing and sales activities. Tronox Incorporated s ability to generate sufficient cash is subject to the Risk Factors outlined above and described further in this proxy statement/prospectus. There can be no assurance that additional debt or equity financing will be available to Tronox Incorporated. Furthermore, Tronox Incorporated is restricted by the terms of our Exit Financing Facility and the Wells Revolver, which limits the amount of Tronox Incorporated s capital expenditures in any given fiscal year, restricts its ability to borrow additional funds and imposes financial covenants such as noted above.

In connection with the proposed Transaction, expected cash needs to cover the disclosed merger consideration to current Tronox Incorporated shareholders of approximately $190 million and other Transaction related expenditures of approximately $113.6 million is expected to be covered by cash and cash equivalents, the refinancing of Tronox Incorporated s term debt together with other sources of liquidity. As discussed above, Tronox Incorporated expects to amend and/or refinance the Exit Financing Facility and the Wells Revolver to facilitate the Transaction. This may include, but not be limited to, the modification of restrictions in the agreements which limit the use of funds, increasing the amount of financing available to the company and an ability to accommodate the local capital needs of the combined company. There can be no assurance that additional debt or equity financing will be available to Tronox Incorporated or at terms and conditions satisfactory to the company.

Off-Balance Sheet Arrangements

Tronox Incorporated has historically entered into agreements that required it to indemnify third parties for losses related to environmental matters, litigation and other claims. Tronox Incorporated has recorded no material obligations in connection with such indemnification obligations as none are currently evaluated as probable of loss. In addition, pursuant to the Master Separation Agreement (MSA), Tronox Incorporated was required to indemnify Kerr-McGee for all costs and expenses incurred by it arising out of or due to Tronox Incorporated s environmental and other liabilities other than such costs and expenses reimbursable by Kerr-McGee pursuant to the MSA. The MSA was rejected during the pendency of the bankruptcy and Tronox Incorporated has no ongoing obligations under the MSA.

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Contractual Obligations and Commercial Commitments

The following table sets forth information relating to Tronox Incorporated s contractual obligations as of December 31, 2011:

	Contractual Obligation Payments Due by Year				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
	(Millions of dollars)				
Debt (including interest)	$ 539.0	$ 35.6	$ 69.9	$ 433.5	$
Ore contracts(1)	1,249.1	365.1	596.0	288.0	
Other purchase obligations	356.5	112.6	112.3	29.6	102.0
Operating leases (excluding railcar leases)	15.5	6.6	4.4	1.1	3.4
Railcar leases	16.5	2.6	4.7	4.2	5.0
Total	$ 2,176.6	$ 522.5	$ 787.3	$ 756.4	$ 110.4

(1) Approximately 48% of current annual usage acquired from one supplier.
(2) Includes obligations to purchase Tronox Incorporated s requirements of process chemicals, supplies, utilities and services.
(3) Excludes liabilities related to uncertain tax positions because Tronox Incorporated cannot make a reasonably reliable estimate regarding the periods of cash settlement with the respective taxing authorities.

New Accounting Standards

In June 2011, the FASB issued ASU 2011-05, Presentation of Comprehensive Income, which changes the presentation requirements of comprehensive income to improve the comparability, consistency, and transparency of financial reporting and to increase the prominence of items reported in other comprehensive income. ASU 2011-05 requires that all non-owner changes in stockholders equity be presented either in a single continuous statement of comprehensive income or in two separate but consecutive statements. ASU 2011-05 is effective for interim and annual periods beginning after December 15, 2011. Tronox Incorporated does not anticipate that the adoption of this guidance will have a material impact on the consolidated financial statements.

In May 2011, the FASB issued ASU 2011-04, Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in GAAP and International Financial Reporting Standards, which changes certain fair value measurement and disclosure requirements, clarifies the application of existing fair value measurement and disclosure requirements and provides consistency to ensure that GAAP and IFRS fair value measurement and disclosure requirements are described in the same way. On December 28, 2011, the FASB issued ASU 2011-12, which defers the effective date for ASU 2011-05.

Quantitative and Qualitative Disclosures about Market Risk

Tronox Incorporated is exposed to various market risks. The primary market risks include fluctuations in interest rates, certain raw material commodity prices, and changes in currency exchange rates. Tronox Incorporated manages these risks through normal operating and financing activities and, when appropriate, through the use of derivative instruments. Tronox Incorporated does not invest in derivative instruments for speculative purposes, but historically has entered into, and may enter into, derivative instruments for hedging purposes in order to reduce the exposure to fluctuations in interest rates, natural gas prices and exchange rates.

Commodity Price Risk

A substantial portion of Tronox Incorporated s products and raw materials are commodities whose prices fluctuate as market supply and demand fundamentals change. Accordingly, product margins and the level of our profitability tend to fluctuate with changes in the business cycle and are expected to do so in the near term as ore

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prices are expected to increase rapidly over the next few years. Tronox Incorporated tries to protect against such instability through various business strategies. These include provisions in sales contracts allowing Tronox Incorporated to pass on higher raw material costs through timely price increases and formula price contracts to transfer or share commodity price risk,

Tronox Incorporated also previously entered into natural gas derivative contracts to reduce the risk of fluctuations in natural gas prices and to increase the predictability of cash flows. These contracts were designated and qualified as cash flow hedges in accordance with ASC 815, Derivatives and Hedging (ASC 815).

Due to restrictions during bankruptcy and current market conditions, Tronox Incorporated does not currently have any derivative instruments outstanding. However, in the future, Tronox Incorporated may enter into these types of derivative instruments from time to time.

Interest Rate Risk

Prior to bankruptcy, Tronox Incorporated was exposed to interest rate risk with respect to its variable-rate debt. In order to manage this risk, Tronox Incorporated entered into interest-rate swap contracts to hedge interest payments on three $25.0 million tranches of the variable-rate term loan. The first contract matured in March 2009, and the remaining two contracts matured in September 2009. The swaps exchanged the variable LIBOR rate component for fixed rates of 4.83%, 4.59% and 2.46%, respectively, on the three tranches. These contracts were previously designated and qualified as cash flow hedges.

As of September 30, 2011, Tronox Incorporated was exposed to interest rate risk with respect to its variable-rate debt. Tronox Incorporated did not have any interest rate swaps on this exposure. Using a sensitivity analysis and a hypothetical 1.0% increase in interest rates from those in effect at September 30, 2011, the increase in Tronox Incorporated s annual interest expense on the variable-rate debt of $425.0 million would have reduced net income by approximately $4.3 million.

Foreign Exchange Risk

Tronox Incorporated manufactures and markets its products in a number of countries throughout the world and, as a result, is exposed to changes in foreign currency exchange rates, particularly in the Netherlands and Australia. Costs in the Netherlands and Australia are incurred, in part, in local currencies other than the U.S. dollar. In Europe, a majority of Tronox Incorporated s revenues and costs are in the local currency creating a partial natural hedge. In Australia however, the majority of Tronox Incorporated s revenues are in U.S. dollars while a majority of the costs are in Australian dollars. This leaves Tronox Incorporated exposed to movements in the Australian dollar versus the U.S. dollar. In order to manage this risk, Tronox Incorporated has from time to time entered into forward contracts to buy and sell foreign currencies as economic hedges for these foreign currency transactions. However, to mitigate future exposure to fluctuations in currency exchange rates, Tronox Limited has made a U.S. dollar functional currency election for both Australian financial reporting and federal tax purposes.

As of September 30, 2011 and December 31, 2010, we did not have any forward contracts in place. However, in the future, Tronox Incorporated may enter into these or other types of derivative instruments, from time to time, to manage this risk.

At September 30, 2011, December 31, 2010 and December 31, 2009, the net fair value of natural gas, interest-rate and foreign currency derivative contracts included in the Tronox Incorporated Consolidated Balance Sheets were net liabilities of nil, nil and $1.3 million, respectively.

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Environmental Matters

Ongoing Businesses of Tronox Incorporated

Tronox Incorporated is subject to a broad array of international, federal, state and local laws and regulations relating to safety, pollution, protection of the environment and the generation, storage, handling, transportation, treatment, disposal and remediation of hazardous substances and waste materials. In the ordinary course of business, Tronox Incorporated is subject to frequent environmental inspections and monitoring and occasional investigations by governmental enforcement authorities. Under these laws, Tronox Incorporated is or may be required to obtain or maintain permits or licenses in connection with its operations. In addition, under these laws, Tronox Incorporated is or may be required 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. Tronox Incorporated may incur future costs for capital improvements and general compliance under environmental, health and safety laws, including costs to acquire, maintain and repair pollution control equipment. Environmental laws and regulations are becoming increasingly stringent, and compliance costs are significant and will continue to be significant in the foreseeable future. There can be no assurance that such laws and regulations or any environmental law or regulation enacted in the future is not likely to have a material effect on Tronox Incorporated.

In December 2006, the European parliament and European council approved a new European regulatory framework for chemicals called REACH. REACH took effect on June 1, 2007, and the program it establishes will be phased in over 11 years. The registration, evaluation and authorization phases of the program will require expenditures and resource commitments in order to, for example, participate in mandatory data-sharing forums; acquire, generate and evaluate data; prepare and submit dossiers for substance registration; obtain legal advice and reformulate products, if necessary.

Certain aspects of Tronox Incorporated s operations may be subject to GHG emissions monitoring and reporting requirements. The EPA has proposed regulations that would require a reduction in emissions of GHGs from motor vehicles and adopted regulations that could trigger permit review for GHG emissions from certain stationary sources. For its operations subject to EPA GHG regulations, Tronox Incorporated may face increased monitoring, reporting, and compliance costs. However, it is not possible to estimate the likely financial impact of potential future GHG regulation on any of Tronox Incorporated s sites. Tronox Incorporated is already managing and reporting GHG emissions, to varying degrees, as required by law for its facilities. The Tiwest Joint Venture TiO_2 plant will be subject to a new Australian carbon tax law beginning in 2012. The estimated impact to the Tiwest Joint Venture is approximately $10 million Australian dollars annually.

Expenditures for environmental protection and cleanup related to Tronox Incorporated s ongoing businesses for the year ended December 31, 2010, 2009, and 2008, are as follows:

	Year Ended December 31,		
	2010	2009	2008
	(Millions of dollars)		
Cash expenditures of environmental reserves	$ 0.1	$ 0.1	$ 0.7
Recurring operating expenses	27.4	27.9	24.8
Environmental capital expenditures associated with ongoing operations	2.7	1.8	1.9

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. In addition to past expenditures, reserves were established for the remediation and restoration of sites where liability was probable and future costs to be incurred were reasonably estimable.

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As of December 31, 2010, Tronox Incorporated s financial reserves for sites associated with its ongoing business totaled $0.8 million. In the Tronox Incorporated Consolidated Balance Sheet at December 31, 2010, $0.6 million of the total reserve was included in noncurrent liabilities other and the remaining $0.2 million was included in accrued liabilities. We believe Tronox Incorporated reserved adequately for the reasonably estimable costs of known environmental contingencies. However, adjustments to reserves may be required in the future due to the previously noted uncertainties.

Legacy Environmental Liabilities

At the time of the spin-off of Tronox Incorporated in 2005 by Kerr-McGee Corporation, Tronox Incorporated became liable for significant legacy environmental liabilities related to businesses and operations of Kerr-McGee that were shut down or discontinued prior to the spin-off.

As part of Tronox Incorporated s Plan, it reached a comprehensive settlement with the U.S. government and more than 30 states, local, tribal and quasi-governmental entities that resolved its significant Legacy Environmental Liabilities. The final settlement was reached in November 2010 and was approved by the Bankruptcy Court under environmental law on January 26, 2011. As a result of the settlement, Tronox Incorporated received a discharge and/or release for the Legacy Environmental Liabilities following its emergence from bankruptcy.

The settlement established certain environmental response and tort claims trusts that are now responsible for the Legacy Environmental Liabilities in exchange for cash, certain non-monetary assets, and the rights to the proceeds of certain ongoing litigation and insurance and other third party reimbursement agreements. As a result, the Legacy Environmental Liabilities will no longer be included in Tronox Incorporated s consolidated financial statements after its emergence from bankruptcy.

Substantially all of the Legacy Environmental Liabilities related to liabilities for civil remediation and other environmental claims by federal, state, local, tribal and quasi-governmental agencies arising from historical activities by Kerr-McGee or its antecedents over a 60-year period at more than 2,800 wood treatment, thorium, refining, petroleum marketing, coal, nuclear, offshore contract drilling, mining, fertilizer, waste disposal and other sites throughout the United States. The Legacy Environmental Liabilities included claims for soil, groundwater and other contamination resulting from, among other things, radioactive waste rock from uranium mining on the Navajo Nation and elsewhere in the southwestern United States, creosote used in the treatment of railroad ties at approximately 40 sites across the United States, the production of ammonium perchlorate in Nevada for use in rocketfuel, the production of radioactive thorium in Illinois for use in gas mantles, the manufacture and blending of fertilizer products at dozens of sites across the United States, and the production and sale of petroleum products at various refineries and storage facilities and hundreds of service stations across the United States. The Legacy Environmental Liabilities also included liabilities related to the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) Superfund Sites in Jacksonville, Florida; Manville, New Jersey; Soda Springs, Idaho; West Chicago, Illinois; Milwaukee, Wisconsin; and Wilmington, North Carolina.

Under CERCLA and similar state laws, a current or former owner or operator of real property may be liable for remediation costs regardless of whether the release or disposal of hazardous substances was in compliance with law at the time it occurred, and a current owner or operator may be liable regardless of whether it owned or operated the facility at the time of the release. Tronox Incorporated was also obligated to perform or have performed remediation or remedial investigations and feasibility studies at sites that were not designated as Superfund sites by the EPA. Such work was undertaken pursuant to consent orders or other agreements. Decommissioning and remediation obligations, and the attendant costs, varied substantially from site to site and depended on unique site characteristics, available technology and the regulatory requirements applicable to each site. As discussed above, Tronox Incorporated has settled the Legacy Environmental Liabilities and, as such, the Legacy Environmental Liabilities are no longer included in its consolidated financial statements now that Tronox Incorporated has emerged from bankruptcy.

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Tronox Incorporated s expenditures for environmental protection and cleanup related to the Legacy Environmental Liabilities for years ended December 31, 2010, 2009 and 2008 are as follows:

	Year Ended December 31,		
	2010	2009	2008
	(Millions of dollars)		
Cash expenditures of environmental reserves	$ 57.9	$ 23.6	$ 37.3
Recurring operating expenses	0.6	3.9	11.7
Environmental capital expenditures associated with ongoing operations	0.0	0.0	0.0

Recurring operating expenses are expenditures related to the maintenance and operation of environmental equipment, as well as the cost of materials, energy and outside services needed to maintain the properties.

As discussed above, reserves have been established for environmental costs at its facilities and were established for remediation and restoration of Legacy Environmental Liabilities where liability was probable and future costs to be incurred were reasonably estimable. Tronox Incorporated considered a variety of matters when setting environmental reserves, including the stage of investigation; whether the EPA or another relevant agency had ordered action or quantified cost; whether Tronox Incorporated had received an order to conduct work; whether Tronox Incorporated participated as a PRP in the Remedial Investigation/Feasibility Study (RI/FS) process and, if so, how far the RI/FS had progressed; the status of the record of decision by the relevant agency; the status of site characterization; the stage of the remedial design; evaluation of existing remediation technologies; the number and financial condition of other PRPs; and whether Tronox Incorporated could reasonably evaluate costs based on a remedial design or engineering plan.

As of December 31, 2010, Tronox Incorporated s financial reserves for the Legacy Environmental Liabilities totaled $440.1 million, which was classified on the Consolidated Balance Sheet at December 31, 2010, as Liabilities subject to compromise.

Financial Statements and Supplementary Data

The Tronox Incorporated Consolidated Financial Statements are included in this proxy statement/prospectus.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Former Independent Registered Accounting Firm

Effective May 12, 2010, the client-auditor relationship between Tronox Incorporated and Ernst & Young LLP (E&Y) was terminated upon the dismissal of E&Y as Tronox Incorporated s independent registered accounting firm. The decision to change accountants was recommended and approved by Tronox Incorporated s board of directors.

As previously disclosed on May 5, 2009, Tronox Incorporated concluded that their previously filed financial reports should no longer be relied upon because Tronox Incorporated failed to establish adequate reserves as required by applicable accounting pronouncements. The financial statements that would be affected by any restatement related to the methodology previously employed in establishing and maintaining Tronox Incorporated s environmental and other contingent reserves are Tronox Incorporated s previously issued financial statements for the years ended December 31, 2005, 2006, and 2007 along with affected Selected Consolidated Financial Data for 2003 and 2004 and the financial information for the first three quarters of 2008.

E&Y reported in their letter to Tronox Incorporated filed as an Exhibit to Form 8-K/A filed by Tronox Incorporated on June 3, 2010 that they did not agree with the description of the events reported in the paragraph

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above. On or about May 5, 2009, E&Y advised Tronox Incorporated and the Chairman of the Audit Committee that they did not believe a sufficient reconciliation had been performed between indications that the environmental and other contingent liability reserves may have been understated (as reported by Tronox Incorporated on Form 8-K filed on April 13, 2009) and Tronox Incorporated s previous accounting and reporting for those reserves. Such reconciliation in the view of E&Y would have provided information with respect to the adequacy of internal controls, including disclosure controls, and the possible need to restate previously issued financial statements. As of the date of filing of Form 8-K by Tronox Incorporated on June 3, 2010, E&Y was unaware if any such reconciliation had been performed. Without the reconciliation as referred to above, E&Y was unable to agree that Tronox Incorporated had a sufficient basis to determine that the 2007 and prior financial statements should no longer be relied upon as reported in Form 8-K filed by Tronox Incorporated on May 9, 2009 noted above. E&Y agrees with the statements made by Tronox Incorporated in the first sentence of the paragraph which follows regarding their report on 2007 financial statements as originally issued. Further, since E&Y has not performed an audit of Tronox Incorporated s financial statements since 2007 they have no basis to agree or disagree with respect to the statements made in the following paragraph pertaining to disagreements or reportable events covering the fiscal years ended 2008 and 2009 and the period through the termination of the client-auditor relationship.

E&Y s report on the financial statements for the fiscal year ended December 31, 2007 did not contain any adverse opinion or disclaimer of opinion and was not qualified as to uncertainty, audit scope or accounting principles. During the fiscal years ended December 31, 2008 and 2009, and the interim periods ending with the termination of the client-auditor relationship, (i) there were no disagreements between Tronox Incorporated and E&Y on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure which, if not resolved to the satisfaction of E&Y, would have caused E&Y to make reference to the subject matter of the disagreement in connection with any report that E&Y would have been required to provide had Tronox Incorporated obtained an audit for each of such fiscal years, and (ii) there were no reportable events, as defined in Item 304(a)(1)(v) of Regulation S-K of the Securities and Exchange Commission.

Current Independent Registered Accounting Firm

Effective June 8, 2010, with the prior approval of its board of directors, Tronox Incorporated engaged Grant Thornton LLP (GT) as its principal independent registered public accounting firm to audit Tronox Incorporated s financial statements for the fiscal years ended December 31, 2010, 2009 and 2008.

Tronox Incorporated had not previously consulted with GT regarding either (i) the application of accounting principles to a specific completed or contemplated transaction; (ii) the type of audit opinion that might be rendered on Tronox Incorporated s financial statements; or (iii) any matter that was either the subject of a disagreement with E&Y or a reportable event (as provided in Item 304(a)(1)(v) of Regulation S-K) during the years ended December 31, 2010, 2009 and 2008 and any later interim periods.

The audited financial statements of Tronox Incorporated included in this proxy statement/prospectus include only financial statements that have been audited by GT.

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EXXARO MINERAL SANDS

MANAGEMENT S DISCUSSION AND ANALYSIS OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Exxaro Mineral Sands MD&A

The following discussion and analysis should be read in conjunction with the information contained in the Exxaro Mineral Sands unaudited condensed combined interim financial statements for the six months ended June 30, 2011 and June 30, 2010 and the related notes thereto (Exxaro Mineral Sands s combined interim financial statements), and the Exxaro Mineral Sands audited annual combined financial statements for the years ended December 31, 2010, December 31, 2009 and December 31, 2008 and the related notes thereto, (Exxaro Mineral Sands s combined annual financial statements and, collectively, the Exxaro Mineral Sands Combined Financial Statements), which can be found elsewhere in this proxy statement/prospectus. This discussion contains forward-looking statements that involve risks and uncertainties, and actual results could differ materially from those discussed in the forward-looking statements as a result of numerous factors. See Cautionary Note Regarding Forward-Looking Statements.

The Exxaro Mineral Sands Combined Financial Statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS). IFRS differs in some respects from GAAP; therefore, some of the financial information may not be comparable to the financial information of United States companies.

General

Based on data reported by TZMI, Exxaro Mineral Sands is the world s third-largest titanium feedstock producer, with 10% of global titanium feedstock production in 2010, and the world s second-largest zircon producer, with 20% of global zircon production in 2010. In 2010, Exxaro Mineral Sands produced 284,000 tonnes of titanium slag, 196,000 tonnes of zircon, 90,000 tonnes of synthetic rutile and 57,000 tonnes of TiO_2 pigment, resulting in combined revenue of R4,640.0 million ($635.6 million).

Exxaro Mineral Sands s operations comprise KZN Sands and Namakwa Sands, both located in South Africa, and Australia Sands in Australia. 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% interest in the Tiwest Joint Venture, which conducts the exploration, mining and processing of mineral sands deposits and the production of TiO_2 in Australia.

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Exxaro Mineral Sands Selected Historical Financial Data

The following table sets forth Exxaro Mineral Sands s selected historical financial data as of the dates and for the periods indicated. The statement of operations and balance sheet data have been derived from the Exxaro Mineral Sands Combined Financial Statements included elsewhere in this proxy statement/prospectus. This information should be read in conjunction with the Exxaro Mineral Sands Combined Financial Statements and the discussion included below.

	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010	Year Ended December 31, 2010	Year Ended December 31, 2009	Year Ended December 31, 2008
			(Rand in millions)		
Statement of Operations Data:					
Revenue	**R 2,889.4**	**R 2,129.5**	**R 4,640.0**	**R 3,508.3**	**R 2,775.4**
Raw materials and consumables	(612.8)	(552.5)	(1,078.9)	(1,175.3)	(615.1)
Staff costs	(463.4)	(417.4)	(918.2)	(824.5)	(573.1)
Depreciation and amortization	(248.8)	(281.1)	(601.3)	(479.1)	(369.4)
Impairment of property, plant and equipment				(1,435.0)	(52.0)
Energy costs	(294.5)	(233.8)	(501.1)	(434.0)	(234.3)
Other operating expenses	(590.8)	(553.6)	(1,290.0)	(565.5)	(1,015.4)
Operating profit/(loss)	**679.1**	**91.1**	**250.5**	**(1,405.1)**	**(83.9)**
Interest income	44.0	4.2	9.2	10.8	43.9
Interest expenses	(136.8)	(155.2)	(299.4)	(369.1)	(268.1)
Profit/(loss) before tax	**586.3**	**(59.9)**	**(39.7)**	**(1,763.4)**	**(308.1)**
Income tax (expense)/benefit	(163.8)	49.5	48.2	(307.7)	129.2
Profit/(loss) for the period	**R 422.5**	**R (10.4)**	**R 8.5**	**R (2,071.1)**	**R (178.9)**

	As of June 30, 2011	As of December 31, 2010	As of December 31, 2009	As of December 31, 2008
		(Rand in millions)		
Balance Sheet Data:				
Working capital[(1)]	R 2,967.5	R 2,423.0	R 2,592.9	R 1,926.2
Property, plant and equipment	4,978.6	5,252.6	5,114.4	6,207.5
Total assets	**11,053.5**	**10,221.3**	**9,696.9**	**11,038.9**
Net investment by Exxaro	107.8	(490.6)	(604.3)	1,318.8
Non-current liabilities:				
Interest-bearing borrowings and amounts due to related parties	2,891.5	2,999.2	3,416.0	3,823.9
All other noncurrent liabilities	643.0	495.2	440.4	544.8
Current liabilities:				
Interest-bearing borrowings and amounts due to related parties	6,766.4	6,485.9	5,794.5	4,630.0
All other current liabilities	R 644.8	R 731.6	R 650.3	R 721.3

(1) Working capital represents excess of current assets, less cash and cash equivalents and amounts due from related parties, over current liabilities, less interest-bearing borrowings and amounts due to related parties.

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Recent Developments

Fairbreeze Mining Project

Exxaro s board of directors, as a result of depressed market conditions at that time, decided not to proceed with the planned development of the Fairbreeze mine and instead began planning for Hillendale s closure at KZN Sands and investigating feedstock alternatives to permit the continuation of KZN Sands s operations following Hillendale s closure. As a result of this decision, Exxaro Mineral Sands recognized a R1,435.0 million ($170.4 million) impairment of the carrying value of KZN Sands s assets, which negatively impacted Exxaro Mineral Sands s 2009 results of operations. On February 22, 2011, due to the improvement in global market conditions and increased demand for titanium feedstock and zircon and the consequential increases in their prices, Exxaro s board of directors reversed this decision and approved the development of the Fairbreeze mine as a replacement feedstock producer to the Hillendale mine at KZN Sands, subject to obtaining the required regulatory and environmental approvals, which is an on-going process. Once the required approvals have been received, Exxaro Mineral Sands intends to commence construction on the Fairbreeze mining project. Exxaro Mineral Sands s management will consider a possible reversal or partial reversal of previous impairment of the carrying value of KZN Sands s assets as the required regulatory and environmental approvals for the Fairbreeze project progress.

The Hillendale mine produced 414,210 tonnes of heavy mineral concentrate, 295,861 tonnes of crude ilmenite, 33,126 tonnes of zircon and 19,970 tonnes of rutile in 2010. Exxaro Mineral Sands expects these quantities to decrease during 2011 and 2012 due to a reduction in mining grades as Hillendale approaches the end of its life of mine. In addition, ilmenite, zircon and rutile are not expected to be mined at KZN Sands between January 2013 and June 2014. As a result, during the period between the decommissioning of the Hillendale mine, which is expected to occur at the end of 2012, and the commencement of operations at the Fairbreeze mine, which is expected in 2014, KZN Sands intends to source an alternate supply of ilmenite from Namakwa Sands and other third party suppliers, as further described below. Exxaro Mineral Sands estimates that approximately 862,000 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 shortfall of smelter grade ilmenite from the following alternative sources during this period to meet the anticipated demand:

- the existing stockpile of smelter grade ilmenite at the KZN Sands smelter, which is expected to comprise approximately 405,685 tonnes by June 2012;

- additional ilmenite production at the Namakwa Sands operations, which Exxaro Mineral Sands, estimates will contribute approximately 100,000 tonnes;

- production of 275,000 tonnes of smelter grade ilmenite from the UMM Plant at Namakwa Sands, as further described under The Businesses Description of Exxaro Mineral Sands Properties and Reserves Properties Namakwa Sands Description of Property); and

- importation of ilmenite from third parties, which Exxaro Mineral Sands estimates will comprise approximately 100,000 tonnes (ilmenite is readily available in the market from third parties and is also available from the Tiwest Joint Venture operations, should it be required).

Exxaro Mineral Sands s estimates of the available supply of and likely demand for smelter grade ilmenite at KZN Sands between the closure of the Hillendale mine and the commencement of operations at the Fairbreeze mine may be affected by various factors, including an increase in furnace ilmenite consumption. During the fourth quarter of 2011, both KZN Sands and Namakwa Sands increased their ilmenite consumption by approximately 10% as a result of improvement projects such as the installation of the copper plate conductive hearth at KZN Sands s Furnace 1 and the upgrading of the electrical and feed systems at the Namakwa Sands furnaces. Exxaro Mineral Sands had discussions with third party suppliers of ilmenite of a quality suitable for titanium slag production. Although the ilmenite market is currently tight, the third party suppliers indicated to Exxaro Mineral Sands that they expect the necessary volumes of ilmenite to be available to KZN Sands on the spot market from 2012 through 2014 due to expansion projects at those suppliers. Exxaro Mineral Sands also may purchase ilmenite internally from the Tiwest Joint Venture operations in the event that external ilmenite is not available.

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If the commencement of operations at the Fairbreeze mine is delayed, the furnaces at KZN Sands will require additional ilmenite to continue operations at currently anticipated output levels. As discussed 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, The Businesses Description of Exxaro Mineral Sands Legal Proceedings South Africa Obanjeni Land Claims and Risk Factors Exxaro Mineral Sands s privately held and leased South African land and mineral rights could be subject to land restitution claims, the commencement of operations at the Fairbreeze mine is dependent on various external factors that are beyond Exxaro Mineral Sands s control, such as the timing and conditions of regulatory approvals and the potential for regulatory authorizations to be challenged or appealed by third parties. Exxaro Mineral Sands estimates that a six month delay in the anticipated commencement date of operations at the Fairbreeze mine would require KZN Sands to seek an additional 205,000 tonnes of ilmenite (105,000 tonnes from external sources and 100,000 tonnes from the UMM Plant at Namakwa Sands) in order to continue KZN Sands s operations at the currently anticipated output levels. This alternate sourcing of ilmenite would increase the cost of raw materials by approximately $50 million to $60 million. Exxaro Mineral Sands estimates that a six month delay in the commencement of operations at the Fairbreeze mine would decrease the output of zircon and rutile at KZN Sands from current estimates by approximately 25,400 tonnes and 12,400 tonnes, respectively, which could potentially reduce revenue by an estimated amount of approximately $80.5 million in 2014.

KZN Sands s fixed cost of approximately $41 million for heavy mineral concentrate incurred during 2011 is expected to remain unchanged during the period between the decommissioning of the Hillendale mine and the commencement of operations at the Fairbreeze mine; however, a variable cost of approximately $25.60 per tonne of heavy mineral concentrate is expected to be saved as a result of the break in production.

Furnace Shutdowns

In October 2010, KZN Sands s Furnace 2 suffered a burn-through, resulting in its shutdown for repairs and a technological upgrade as further described below, which continued until late October 2011. In addition, in August 2011, a scheduled inspection of KZN Sands s other furnace, Furnace 1, revealed a water ingress, resulting in its shutdown and the inoperability of both of KZN Sands s furnaces for almost three months during that period. In addition to repairing the furnaces, Exxaro Mineral Sands is converting the furnace technology to conductive hearth technology, which is presently used in the Namakwa Sands operations. Conductive hearth technology is more efficient and requires shorter and less frequent scheduled downtime for maintenance than the current technology used by the furnace.

The furnace shutdowns resulted in a reduction of approximately 16,300 tonnes of ilmenite treated per month per furnace (Furnace 1 and Furnace 2 have a similar ilmenite treatment capacity). The reduced ilmenite feed results in a loss of production of approximately 7,500 tonnes of titanium slag and 4,560 tonnes of low manganese pig iron per month. Exxaro Mineral Sands estimates that lost revenue due to lower furnace production will be approximately R50.9 million ($7.5 million) per month in 2012. A variable production cost of approximately R35.1 million ($5.2 million) per month is expected to be saved during the furnace shutdown period.

Furnace 2 s unavailability negatively impacted Exxaro Mineral Sands s operations for the twelve-month period that it was out of commission, resulting in reduced slag and pig iron production of approximately 90,000 tonnes and 54,700 tonnes, respectively, and a loss of revenue during the period of approximately R436 million ($64 million). Furnace 1 is expected to be out of operation until the end of the second quarter of 2012, which resulted in an estimated reduced production of slag and pig iron for the second half of 2011 of approximately 30,000 tonnes and 18,240 tonnes, respectively, and an estimated loss of revenue during the period of approximately R145.3 million ($21.5 million). Furnace 1 s unavailability is also expected to result in reduced production of slag and pig iron for the first half of 2012 of approximately 22,500 tonnes and 13,680 tonnes, respectively, and a loss of revenue during the period of approximately R109 million ($16.1 million). Exxaro has committed to use commercially reasonable efforts to repair the furnace in the Transaction Agreement. In the event the repair has not been completed by completion of the Transaction, the Transaction Agreement provides that Exxaro will compensate Tronox Limited for losses suffered as a result of the outage of the furnace based on an agreed upon formula and provide reasonable support and assistance to Tronox Limited to complete the repair of the furnace following completion of the Transaction.

The Kwinana Facility Expansion

The expansion of the Kwinana Facility at the Tiwest Joint Venture was completed and commissioned at the end of June 2010. The expansion increased TiO_2 production capacity at the Kwinana Facility from 110,000 to 150,000 tonnes per annum. While Tronox Incorporated was in bankruptcy, Exxaro Mineral Sands funded 96.9% of the expansion capital expenditure (despite only being obligated to fund 50%, in proportion to its ownership interest in the Tiwest Joint Venture). As provided in the Tiwest Joint Venture development agreement, the rights to the TiO_2 produced as a result of the Kwinana Facility expansion follow the levels of contribution for the expansion, which meant that Exxaro Mineral Sands received 96.9% of the TiO_2 production attributable to the expansion (as well as the proportionate share of operating expenses) during the period from June 30, 2010 to June 30, 2011, when Tronox Incorporated bought into its 50% share of the Kwinana Facility s expansion for $79.1 million. As a result of its increased allocation, Exxaro Mineral Sands s share of revenue and operating expenses from the Kwinana Facility are proportionally higher for the six months ended June 30, 2011 than for the six months ended June 30, 2010, representing an additional 19,000 tonnes of TiO_2 produced during the period.

Recapitalization of Exxaro TSA Sands

On December 20, 2011, Exxaro TSA Sands (Pty) Ltd authorized the issue of an ordinary share to Exxaro for a cash payment of R1,800 million ($222.5 million). The share issue was completed on December 30, 2011. This recapitalization was undertaken in connection with Tronox Limited s rationalization of its corporate and organizational structure to ensure that Tronox Limited and its subsidiaries are appropriately capitalized following completion of the Transaction. Exxaro determined the R1,800 million ($222.5 million) amount after analyzing and determining an appropriate mix of debt and equity for Exxaro Mineral Sands s South African operations.

Basis of Preparation

In the absence of a legal ultimate parent, the Exxaro Mineral Sands Combined Financial Statements have not been prepared by consolidating the ultimate parent and its subsidiaries, but by combining all individual entities that comprise Exxaro s mineral sands operations into one reporting entity referred to in this proxy statement/prospectus as Exxaro Mineral Sands. These entities, which are identified below, have been classified as subsidiary or joint venture undertakings. All transactions, balances, income and expenses, including unrealized profits on such transactions, between or among the entities that comprise Exxaro Mineral Sands have been eliminated on combination.

The Exxaro Mineral Sands Combined Financial Statements have been prepared by combining the financial information from the local reporting records of the Exxaro Mineral Sands legal entities. The combined financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value through profit and loss and, in all material respects, in accordance with IFRS as adopted by the IASB and may not be indicative of the actual results of Exxaro s mineral sands operations and financial position had they been operated as a separate entity.

The Exxaro Mineral Sands Combined Financial Statements have been prepared for the purposes of presenting, as far as practical, the financial position, results of operations and cash flows of Exxaro s mineral sands operations on a standalone basis. The Exxaro Mineral Sands Combined Financial Statements reflect assets, liabilities, revenues and expenses directly attributable to Exxaro s mineral sands operations, including management fee allocations recognized on a historical basis in Exxaro s accounting records on a legal entity basis. Although it is not possible to estimate the actual costs that Exxaro Mineral Sands would have incurred if the services performed by Exxaro had been purchased from independent third parties, Exxaro s directors and

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senior management consider the allocations reasonable. However, Exxaro Mineral Sands s financial position, results of operations and cash flows presented below are not necessarily representative or indicative of those that would have been achieved had Exxaro s mineral sands operations operated autonomously or independently from Exxaro.

Exxaro Mineral Sands Entities

The Exxaro Mineral Sands entities comprise Exxaro Sands, Exxaro TSA Sands, Exxaro Australia (which includes a 50% interest in the Tiwest Joint Venture), and the other Australian and Dutch entities that comprise Australia Sands listed in Note 1 to Exxaro Mineral Sands s combined annual financial statements included elsewhere in this proxy statement/prospectus.

Exxaro Sands is the legal entity which owns KZN Sands s mining and prospecting rights, including the Hillendale mining operation and the mineral separation plant at Empangeni. Exxaro TSA Sands is the legal entity which owns Namakwa Sands, as well as the remainder of KZN Sands s operations.

Australia Sands s interest in the Tiwest Joint Venture in Australia is accounted for as a joint venture. A joint venture is a contractual arrangement whereby Exxaro Mineral Sands and one or more parties undertake an economic activity that is subject to joint control. Joint ventures in which the Exxaro Mineral Sands participates with other parties are proportionately combined. In applying the proportionate combination method, Exxaro Mineral Sands s percentage share of the balance sheet and income statement items are included in the Exxaro Mineral Sands Combined Financial Statements.

Management Fees

Exxaro uses a cost recovery mechanism to recover central management and other similar costs it incurs at a corporate level. The management fees reflected in the Exxaro Mineral Sands Combined Financial Statements are based on the amounts historically recorded in the accounts of the individual entities that comprise Exxaro s mineral sands operations as a result of this cost recovery mechanism. An appropriate proportion of the salaries, pension costs and other remuneration for Exxaro s senior management, including Exxaro Mineral Sands s senior management, are included in these management fees. Costs have principally been allocated on the basis of actual services delivered or benefits received. Additional information about Exxaro Mineral Sands s relationship with Exxaro and other Exxaro companies, including a description of the costs that have historically been charged to Exxaro Mineral Sands, is included in Note 14 to Exxaro Mineral Sands s combined annual financial statements included elsewhere in this proxy statement/prospectus.

Interest

The interest charge reflected in the Exxaro Mineral Sands Combined Financial Statements is based on the interest charge historically incurred by the entities included in Exxaro s mineral sands operations on specific external borrowings or financing provided by other Exxaro companies. No debt unrelated to the Exxaro Mineral Sands business at an Exxaro consolidated basis has been pushed down or allocated to Exxaro Mineral Sands.

Taxation

The entities that comprise Exxaro Mineral Sands s South African operations file separate tax returns in South Africa, and their current and deferred income taxes are based on these separate returns.

In Australia, Australia Sands and its subsidiaries are part of a multiple entry tax-consolidated group (a MEC group) under Australian taxation law and file a consolidated tax return. Exxaro Australia Pty Ltd, which is an Exxaro subsidiary that will not be transferred to Tronox Limited as part of the Transaction, presently is the MEC Group s head entity. As the head entity of the MEC group, Exxaro Australia Pty Ltd recognizes the current

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tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the MEC group members. Due to the existence of a tax funding agreement between these entities, which will be terminated prior to completion of the Transaction, amounts are recognized as payable to or receivable by each member of the MEC group in relation to the tax contribution amounts paid or payable between Exxaro Australia Pty Ltd and the other members of the MEC group in accordance with the agreement, and each of the entities has agreed to pay a tax equivalent payment to Exxaro Australia Pty Ltd based on such entity s current tax liability or asset. Such amounts are reflected in the amounts receivable from or payable to related parties.

When the MEC group members (other than Exxaro Australia Pty Ltd) are transferred to Tronox Limited upon completion of the Transaction, each member leaving the MEC group must pay to Exxaro Australia Pty Ltd an estimate of its tax contribution amounts for tax liabilities which have not yet fallen due for payment prior to transfer to Tronox Limited.

Share-based Payments

Exxaro Mineral Sands employees participate in Exxaro s performance share schemes and management option plan. For purposes of the Exxaro Mineral Sands Combined Financial Statements, transfers of Exxaro s equity instruments to Exxaro Mineral Sands employees have been reflected as equity settled share-based payment transactions on the basis that the responsibility for settling the awards resides with Exxaro and not the entities comprising Exxaro Mineral Sands.

Net Investment by Other Exxaro Companies

The balance sheets in the Exxaro Mineral Sands Combined Financial Statements show the amount of other Exxaro companies net investment in Exxaro Mineral Sands in lieu of showing shareholders equity. Such amounts represent the entities aggregated combined share capital, accumulated losses and other reserves, including share-based payment reserve, hedging reserve and cumulative translation adjustments.

Critical Accounting Policies

In the application of its accounting policies, Exxaro Mineral Sands s senior management makes judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. For example, senior management estimates the tax rate applied to foreign exchange gains or losses that may be realized in the future. These estimates and associated assumptions are based on historical experience and other factors that senior management considers relevant. Actual results may differ from these estimates.

Exxaro Mineral Sands s senior management reviews these estimates and underlying assumptions on an on-going basis and recognizes revisions to accounting estimates in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of Property, Plant and Equipment

Exxaro Mineral Sands reviews the carrying amount of its property, plant and equipment at the end of each annual reporting period to determine whether there is any indication of impairment. Where such an indication exists, Exxaro Mineral Sands s management estimates the recoverable amount in accordance with the accounting policy described in Note 3(g) to Exxaro Mineral Sands s combined annual financial statements included elsewhere in this proxy statement/prospectus.

Decreased demand for Exxaro Mineral Sands s products and lower average product prices caused by the 2008-2009 global economic recession negatively affected the carrying value of KZN Sands s operations as at December 31, 2009. As a result, Exxaro s decision to suspend the planned development of the Fairbreeze mine and instead plan for Hillendale s closure at KZN Sands in 2009, as further discussed above under Recent

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Developments Fairbreeze Mining Project, resulted in the carrying amount of KZN Sands s cash generating unit being written down to its recoverable amount, creating a R1,435.0 million ($170.4 million) impairment charge in KZN Sands s operations in 2009. Exxaro Mineral Sands s management s assumptions are set out in Note 8 to Exxaro Mineral Sands s combined annual financial statements included elsewhere in this proxy statement/prospectus. If the discount rate used in the value-in-use calculation was 1% higher as of December 31, 2009 (i.e., 9.4% instead of 8.4%), Exxaro Mineral Sands would have recognized a further impairment of property, plant and equipment in the amount of R14.0 million ($2.0 million).

Provisions

Exxaro Mineral Sands estimates its long-term environmental rehabilitation and mine decommissioning obligations based on its environmental management plans, which are submitted as part of the environmental approval process for its mining and prospecting operations, and current technological, environmental and regulatory requirements. Exxaro Mineral Sands s senior management exercises its judgment when estimating the ultimate rehabilitation costs for its mining operations and determining the appropriate provisions, using the following assumptions during 2010 and 2009:

	South African Operations	Australian Operations
Inflation rate per annum	5%	2.5%
Discount rate per annum	10%	5.5%
Life of Mine	3-19 years in 2010	16-39 years in 2010
	4-20 years in 2009	17-34 years in 2009

The ultimate cost of Exxaro Mineral Sands s environmental rehabilitation and mine decommissioning obligations may differ significantly from its estimates and provisions.

Provisions are funded either through guarantees or through a trust fund. Exxaro Mineral Sands makes quarterly contributions to the Exxaro Environmental Rehabilitation Fund, which is a trust fund maintained to provide for the rehabilitation and management of negative environmental impacts in respect of the prospecting and mining activities of Exxaro Mineral Sands s South African operations, as required by the MPRDA, the DMR and Exxaro Mineral Sands s prospecting and mining licenses. As of December 31, 2010 and December 31, 2009, the balance in this fund attributable to Exxaro Mineral Sands s South African operations was R120.1 million ($18.1 million) and R82.5 million ($11.2 million), respectively, which is reflected in the financial assets line item on the Statements of Financial Position of the Exxaro Mineral Sands Combined Financial Statements. Exxaro also has entered into guarantees in favor of the DMR which are issued by financial institutions for the benefit of Exxaro Mineral Sands in respect of the mine closure and rehabilitation liabilities of Exxaro Mineral Sands s South African operations. As further described under Description of Transaction Documents The Transaction Agreement, Exxaro Mineral Sands s contributions to this fund will be transferred to a new, Tronox Limited trust fund established pursuant to the Transaction Agreement at or after the Closing Date and Exxaro s guarantees to the DMR will be extinguished at the completion of the Transaction and will be replaced by Tronox Limited guarantees.

Mineral Resources and Ore Reserves

Exxaro Mineral Sands s mineral resources and ore reserve estimates, which are included under The Businesses Exxaro Mineral Sands s Business Properties and Reserves Mineral Resources and Reserves, represent the amount of minerals that can be economically and legally extracted from Exxaro Mineral Sands s operations. In order to calculate the mineral reserves and resources, Exxaro Mineral Sands makes estimates and relies on assumptions concerning a range of geological, technical and economic factors, costs, commodity prices and exchange rates. Estimating the quantities and grade of the reserves and resources requires Exxaro Mineral Sands to determine the size, shape and depth of the ore bodies by analyzing geological data such as the logging and assaying of drill samples. This process may require complex and difficult geological judgments and calculations to interpret the data.

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Because the economic assumptions used to estimate the mineral reserves and ore resources change from year to year, and because additional geological data is generated during the course of operations, Exxaro Mineral Sands s estimates of the mineral reserves and ore resources may change from year to year. Changes in the reserves and resources may affect Exxaro Mineral Sands s financial results and financial position in a number of ways, such as changes to asset carrying values due to changes in estimated cash flows, changes to depreciation and amortization charges in the income statement (because they are calculated using the units-of-production method), and changes to environmental provisions as the timing or cost of Exxaro Mineral Sands s operating activities are affected as a result of revised estimates.

Estimate of Post-retirement Obligations

With respect to Exxaro Mineral Sands s defined benefit schemes, management makes annual estimates and assumptions about future returns on classes of scheme assets, future remuneration changes, employee attrition rates, administration costs, changes in benefits, inflation rates, exchange rates, average life expectancy and expected remaining periods of employee service, as further discussed under Note 21 to Exxaro Mineral Sands s combined annual financial statements. In making these estimates and assumptions, management considers advice provided by external advisers, such as actuaries.

Income Taxes

Exxaro Mineral Sands is principally subject to income taxes in South Africa and Australia, which requires Exxaro Mineral Sands s senior management to exercise its judgment when determining worldwide provisions for income taxes. In many transactions, the calculation of the ultimate tax determination is uncertain. Where the final tax outcome is different from the amounts initially recorded, such differences will impact income tax and deferred tax provisions for the period in which such determinations are made.

Management exercises its judgment with regard to the recognition of deferred tax assets, principally relating to tax losses in South Africa. Where the possibility exists that no future taxable income may flow against which these assets can be offset, the deferred tax assets are not recognized. As of December 31, 2010, Exxaro Mineral Sands recognized deferred taxes relating to tax losses at its mining and smelter operations. Unrecognized tax losses amounting to R3,469.0 million ($524.0 million) relate principally to KZN Sands s operations. For further information, refer to Note 10 of Exxaro Mineral Sand s combined annual financial statements.

Derivatives

Exxaro Mineral Sands from time to time holds derivative financial instruments to hedge its foreign exchange exposure and interest rate exposure. Derivatives are initially recognized at fair value as of the date on which a derivative contract is entered into, with attributable transaction costs recognized in the income statement as incurred. The fair value of derivatives not quoted in active trading markets is determined using valuation techniques, which make use of observable market data, with management making judgments to select from a variety of valuation methods and assumptions based on then-current market conditions.

Subsequent to their initial recognition, derivatives are measured at fair value, and changes in fair value are accounted for based on whether Exxaro Mineral Sands has designated the derivative as a hedging instrument, and if so, the nature of the item being hedged. During 2010, 2009 and 2008, the total amount of the change in fair values of derivatives that Exxaro Mineral Sands recognized, estimated using a discounted cash flow analysis, was a profit of R236.7 million ($32.3 million), R156.2 million ($18.6 million) and R64.7 million ($7.8 million) in each respective year.

Exxaro Mineral Sands designates most of its derivatives as either fair value hedges, cash flow hedges or economic hedges. When a derivative is designated as a hedge of the change in fair value of a recognized asset or liability or a firm commitment, changes in the fair value of the derivative are recognized immediately in the

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income statement together with changes in the fair value of the hedged item that are attributable to the hedged risk. If the derivative expires or is sold, terminated, or exercised, or no longer meets the criteria for fair value hedge accounting, or the designation is revoked, hedge accounting is discontinued. Any adjustment up to that point, to a hedged item for which the effective interest rate method is used, is amortized to the income statement as part of the recalculated effective interest rate of the item over its remaining life.

When a derivative is designated as a hedge of the variability in cash flows attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction that could affect the income statement, the effective portion of changes in the fair value of the derivative is recognized directly in equity. The amount recognized in equity is removed and included in profit or loss in the same period as the hedged item s cash flows affect the income statement under the same income statement line item as the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the income statement. If the derivative expires or is sold, terminated, or exercised, or no longer meets the criteria for cash flow hedge accounting, or the designation is revoked, then hedge accounting is discontinued and the amount recognized in equity remains in equity until the forecast transaction affects the income statement. If the forecast transaction is no longer expected to occur, then hedge accounting is discontinued and the balance in equity is recognized immediately in the income statement.

Derivative instruments that economically hedge monetary assets and liabilities denominated in foreign currency, such as foreign exchange contracts and currency options, do not qualify for hedge accounting. Changes in the fair value of these instruments are recognized immediately in the income statement as part of foreign currency gains and losses.

Results of Operations

Six Months Ended June 30, 2011 Compared to the Six Months Ended June 30, 2010

Exxaro Mineral Sands s revenue increased by R759.9 million ($136.6 million), or 35.7%, to R2,889.4 million ($419.4 million) for the six month period ended June 30, 2011 from R2,129.5 million ($282.8 million) for the six month period ended June 30, 2010, mainly due to the increases in selling prices for most of Exxaro Mineral Sands s products complemented by increased demand. Exxaro Mineral Sands improved operational efficiencies and continued cost containment, despite the impact of stronger Rand and Australian dollar as compared with the U.S. dollar during the period. KZN Sands recorded a marginal loss of approximately R6.0 million ($0.9 million) for the six month period ended June 30, 2011 compared to a profit of approximately R61.0 million ($8.1 million) for the six month period ended June 30, 2010, which included a non-recurring insurance payment receipt of R98.0 million ($14.2 million). Namakwa Sands and Australia Sands recorded net operating profit increases of approximately R247.0 million ($35.8 million) and R324.0 million ($47.0 million), respectively, for the six months ended June 30, 2011 as compared with the six months ended June 30, 2010. The higher profits were recorded at respective operating margins of 25% and 32%.

At KZN Sands, heavy mineral concentrate production was approximately 32,000 tonnes lower during the six months ended June 30, 2011 as compared with the six months ended June 30, 2010 due to the Hillendale mine nearing its end of life, which resulted in lower zircon production of approximately 4,000 tonnes and lower rutile production of approximately 1,000 tonnes as compared with the previous period. The lower heavy mineral concentrate production, together with the inoperability of Furnace 2 during most of the period, as further discussed under Recent Developments Furnace Shutdowns, also resulted in lower titanium slag production during the period as compared with the previous period.

Namakwa Sands recorded higher zircon and rutile production of approximately 6,000 tonnes and 3,000 tonnes, respectively, during the six month period ended June 30, 2011 as compared with the six month period ended June 30, 2010. With greater uptimes of Namakwa Sands s furnaces, titanium slag production overall increased by 31,000 tonnes as compared with the previous period.

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At Australia Sands, synthetic rutile production increased during the six month period ended June 30, 2011 as compared with the six month period ended June 30, 2010, due to improved consistency in production together with the reduction of coal quality problems which adversely affected the Kwinana Facility in the past. Zircon production at Australia Sands was marginally lower as compared with the previous period as a result of harder digging conditions. TiO_2 production at the Kwinana Facility was significantly higher during the period as compared with the previous period following the commissioning and ramp-up of the TiO_2 plant expansion, for which Exxaro Mineral Sands was entitled to a proportionate share in excess of its 50% interest in the Tiwest Joint Venture during the period, as further discussed under Recent Developments Kwinana Facility Expansion, combined with improved performance from the existing plant. Total sales volumes were in line with the previous corresponding period, but at a different overall product mix, which lead to more favorable selling prices.

The following table presents a summary of Exxaro Mineral Sands s saleable production by product for the periods indicated:

	Six Months Ended June 30, 2011	2010
	(Tonnes)	
Slag tapped	124,000	141,000
Rutile	32,000	28,000
Zircon	94,000	94,000
TiO_2	44,000	25,000
Pig iron and scrap iron	72,000	89,000

The following table presents Exxaro Mineral Sands s consolidated results of operations for the periods indicated:

	Six Months Ended June 30, 2011	2010	Change
	(Rand in millions)		
Revenue	R 2,889.4	R 2,129.5	R 759.9
Operating expenses	(2,210.3)	(2,038.4)	(171.9)
Net operating profit	**679.1**	**91.1**	**588.0**
Interest income	44.0	4.2	39.8
Interest expense	(136.8)	(155.2)	18.4
Profit/(loss) before tax	**586.3**	**(59.9)**	**646.2**
Income tax (expense)/benefit	(163.8)	49.5	(213.3)
Profit/(loss) for the period	**R 422.5**	**R (10.4)**	**R 432.9**

Revenue increased by R759.9 million ($136.6 million), or 35.7%, to R2,889.4 million ($419.4 million) for the six months ended June 30, 2011, from R2,129.5 million ($282.8 million) for the six months ended June 30, 2010. The increase was primarily due to price increases for all mineral sands products supported by higher production volumes at Namakwa Sands and Australia Sands, in part due to the additional 19,000 tonnes of TiO_2 produced during the period that was attributed to Australia Sands as a result of the Kwinana Facility expansion, offset by lower production volumes at KZN Sands as a result of the Hillendale mine nearing its end of life of mine. Zircon prices were 71.3% higher and pigment prices 27.8% higher in June 2011 compared to June 2010. These increases were partially offset by an 8.3% average realized increase in the Rand exchange rate against the U.S. dollar and a 15.7% average realized increase in the Australian dollar exchange rate against the U.S. dollar in June 2011 compared to June 2010.

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Operating expenses increased by R171.9 million ($50.1 million), or 8.4%, to R2,210.3 million ($320.8 million) for the six months ended June 30, 2011, from R2,038.4 million ($270.7 million) for the six months ended June 30, 2010. Operating expenses also were higher as a result of the additional 19,000 tonnes of TiO_2 produced during the period that was attributed to Australia Sands as part of the Kwinana Facility expansion. The following table presents the principal components of Exxaro Mineral Sands s operating expenses for the six-month periods ended June 30, 2011 and June 30, 2010:

	Six Months Ended June 30,		
	2011	**2010**	**Change**
		(Rand in millions)	
Raw materials and consumables	R 612.8	R 552.5	R 60.3
Staff costs	463.4	417.4	46.0
Depreciation and amortization	248.8	281.1	(32.3)
Energy	294.5	233.8	60.7
Other operating expenses	590.8	553.6	37.2
Total operating expenses	**R 2,210.3**	**R 2,038.4**	**R 171.9**

Raw materials and consumables, which are described under The Businesses Description of Exxaro Mineral Sands Business Mining and Processing Techniques Raw Materials, increased by R60.3 million ($15.6 million), or 10.9%, to R612.8 million ($88.9 million) in the six months ended June 30, 2011 from R552.5 million ($73.4 million) for the six months ended June 30, 2010, due to normal inflation and a slight increase in production performance as well as the Kwinana Facility expansion.

Staff costs, which include salaries and wages, share-based payments, termination benefits, pension costs and medical costs, increased by R46.0 million ($11.8 million), or 11.0%, to R463.4 million ($67.3 million) for the six months ended June 30, 2011 from R417.4 million ($55.4 million) for the six months ended June 30, 2010, mainly as a result of inflation-related staff cost increases and bonuses paid to Exxaro Mineral Sands s employees.

Depreciation and amortization decreased by R32.3 million ($1.2 million), or 11.5%, to R248.8 million ($36.1 million) for the six months ended June 30, 2011 from R281.1 million ($37.3 million) for the six months ended June 30, 2010, as a result of accelerated depreciation in 2010 relating to an adjustment to the useful life of KZN Sands s assets following management s revision of its useful life assumptions as a result of the decision not to pursue the Fairbreeze mine, as discussed above, offset by an increase of R26.0 million ($3.8 million) during the six months ended 2011 relating to an increase in the carrying value of Australia Sands s assets due to the Kwinana Facility expansion.

Energy costs, which include the energy and fuel supplies used in Exxaro Mineral Sands s production, increased by R60.7 million ($11.7 million), or 26.0%, to R294.5 million ($42.7 million) for the six months ended June 30, 2011 from R233.8 million ($31.0 million) for the six months ended June 30, 2010, as a result of 25% higher electricity costs in South Africa during the period including better overall furnace utilization for the six months ended June 30, 2011.

Other operating expenses, which includes corporate service fees, inventory movement, sales and distribution, royalty taxes, repairs and maintenance and outside services, increased by R37.2 million ($12.2 million), or 6.7%, to R590.8 million ($85.7 million) for the six months ended June 30, 2011 from R553.6 million ($73.5 million) for the six months ended June 30, 2010. The increase was due to, among other things, higher maintenance costs incurred in Australia during the Kwinana Facility expansion in the amount of R34.1 million ($4.9 million), higher sales and distribution costs in the amount of R29.7 million ($4.3 million) due to higher TiO_2 sales volumes, and an increase in royalties of R35.1 million ($5.1 million) due to higher revenues and profitability for the period.

Interest income increased by R39.8 million ($5.8 million), or 947.6%, to R44.0 million ($6.4 million) for the six months ended June 30, 2011, from R4.2 million ($0.6 million) for the six months ended June 30, 2010. This increase represents interest earned on higher cash and cash equivalents, which increased by R940.9 million ($141.8 million), or 598.4%, to R1,098.1 million ($162.4 million) during the period.

Interest expense decreased by R18.4 million ($0.8 million), or 11.9%, to R136.8 million ($19.9 million) for the six months ended June 30, 2011, from R155.2 million ($20.6 million) for the six months ended June 30, 2010. The decrease was a result of Tronox refunding Exxaro Mineral Sands with R40.3 million ($5.8 million) interest as a result of the TiO_2 expansion buyback and was offset by the interest on interest bearing loans raised for the six months ended June 30, 2011.

Income tax changed from a R49.5 million ($6.6 million) benefit for the six months ended June 30, 2010 to an income tax expense of R163.8 million ($23.8 million) for the six months ended June 30, 2011, due to Exxaro Mineral Sands having a taxable income during the period as compared to a loss in the previous period due to higher profitability.

Year Ended December 31, 2010 Compared to Year Ended December 31, 2009

The improved financial results during the year ended December 31, 2010 as compared to the year ended December 31, 2009, can be attributed to significant price increases in TiO_2 and zircon prices during 2010 and stronger sales volumes of all Exxaro Mineral Sands s products, which resulted from higher production volumes for TiO_2 and zircon during 2010 and inventory sales of slag, despite a decrease in total production during the period, as noted below. Unlike 2009, where all three components of Exxaro Mineral Sands s operations (KZN Sands, Namakwa Sands and Australia Sands) reported net operating losses, in 2010, only KZN Sands reported a net operating loss. The improvement in results was partially offset by a stronger Australian dollar as compared with the U.S. dollar during 2010 and the continuing strength of the Rand against the U.S. dollar. The average exchange rate in 2010 of the U.S. dollar against the Rand and the Australian dollar was R7.72 and A$0.87, respectively, compared with R8.39 and A$0.76, respectively, in 2009. Management mitigated the impact of the stronger Rand and Australian dollar through increased hedging of its U.S. dollar-denominated trade receivables, as further below discussed under Quantitative and Qualitative Disclosure about Market Risks Currency Risk.

Planned and unplanned furnace downtime increased by 44.7% during 2010 as compared with 2009. At KZN Sands, Furnace 1 was shut on July 1, 2010 for a planned reline and pre-heating, restarting production at the end of January 2011. In addition, the burn-through at Furnace 2 on October 26, 2010 resulted in both of KZN Sands s furnaces being out of commission simultaneously for two months in the last quarter of 2010. As a result of these furnace incidents and shutdowns, slag production was 69,000 tonnes lower in 2010 than in 2009. Sales, however, increased by 115,000 tonnes in 2010 as a result of the de-stocking of high inventory levels which were built up during the global financial crisis in 2008 and 2009.

Total run-of-mine tonnage for all products was more than a million tonnes lower in 2010 than in 2009 as KZN Sands s Hillendale mine neared the end of its life. As a consequence of this and lower grades, heavy mineral concentrate production at KZN Sands was 73,000 tonnes lower in 2010 than in 2009 at 414,000 tonnes in total. Zircon production was 11,000 tonnes higher than in 2009, as higher zircon production at Australia Sands due to improved overall utilization of the dredge mine, coupled with improved recoveries at Namakwa Sands despite lower zircon head grades, more than offset lower production at KZN Sands resulting from the lower concentrate grade. Rutile production was also 1,000 tonnes higher than in 2009.

Higher slag and pig iron production at Namakwa Sands was insufficient to fully offset lower furnace production at KZN Sands caused by the extended furnace downtime. Total slag tapped was 69,000 tonnes lower than in 2009 at 262,000 tonnes, resulting in a loss of revenue during the period of approximately R206.0 million ($28.1 million), while pig iron and scrap iron was 31,000 tonnes lower than in 2009 at 165,000 tonnes, resulting in a loss of revenue during the period of approximately R95.0 million ($13.0 million).

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At Australia Sands, synthetic rutile production was lower due to the planned 38-day shutdown late in the year (the synthetic rutile plant undergoes a major shutdown every three years) and maintenance-related challenges in the first quarter of 2010. Because this was a planned shutdown that was budgeted for, Exxaro Mineral Sands did not experience a loss of anticipated revenue or production. The Kwinana TiO_2 plant expansion at the Tiwest Joint Venture was successfully commissioned in late June 2010 and achieved design production capacity of 150,000 tonnes per year in October 2010. Significant supply interruptions from a key raw material supplier led to a production loss of more than 10,000 tonnes of production in November and December 2010 and an 11-day shutdown in May 2010 to complete all the tie-ins for the expansion led to lower TiO_2 production.

Increased overall utilization at the mining operations of the Tiwest Joint Venture led to increased heavy mineral concentrate production during 2010, which together with processed inventory resulted in ilmenite, rutile and zircon production increases of 10%, 13% and 4%, respectively, as compared with production volumes during 2009. To counter lower grades expected to be recovered on the future mine path, a 30% expansion of the Tiwest Joint Venture s South Mine at a capital cost of R200.0 million ($29.6 million) (representing 100% of the Tiwest Joint Venture) is expected to be completed by the end of the second quarter of 2012.

The following table presents a summary of Exxaro Mineral Sands s saleable production by product for the years ended December 31, 2010 and December 31, 2009:

	Year Ended December 31, 2010	2009
	(Tonnes)	
Slag tapped	262,000	331,000
Rutile	63,000	62,000
Zircon	196,000	185,000
TiO_2	57,000	53,000
Pig iron and scrap iron	165,000	196,000

The following table presents Exxaro Mineral Sands s combined results of operations for the years ended December 31, 2010 and December 31, 2009:

	Years Ended December 31, 2010	2009	Change
		(Rand in millions)	
Revenue	R 4,640.0	R 3,508.3	R 1,131.7
Operating expenses	(4,389.5)	(4,913.4)	523.9
Net operating profit/(loss)	**250.5**	**(1,405.1)**	**1,655.6**
Interest income	9.2	10.8	(1.6)
Interest expense	(299.4)	(369.1)	69.7
Loss before tax	**(39.7)**	**(1,763.4)**	**1,723.7**
Income tax benefit/(expense)	48.2	(307.7)	355.9
Profit/(loss) for the year	**R 8.5**	**R (2,071.1)**	**R 2,079.6**

Revenue increased by R1,131.7 million ($216.4 million), or 32.3%, to R4,640.0 million ($633.0 million) for the year ended December 31, 2010, from R3,508.3 million ($416.7 million) for the year ended December 31, 2009. The increased revenue during the period can be attributed to significant increases in TiO_2 and zircon prices during 2010 and stronger sales volumes of several of Exxaro Mineral Sands s products. TiO_2 prices increased by an average of 20% during 2010. Zircon prices started to increase substantially in the second half of 2010 and the average price during 2010 was 14.2% higher than the average price during 2009. These increases were partially offset by an 8.0% average realized increase in the Rand exchange rate against the U.S. dollar and a 14.5% average realized increase in the Australian dollar exchange rate against the U.S. dollar in 2010 as compared to 2009, which significantly impacted revenue and earnings.

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Operating expenses decreased by R523.9 million ($15.3 million), or 10.7%, to R4,389.5 million ($598.8 million) for the year ended December 31, 2010, from R4,913.4 million ($583.5 million) for the year ended December 31, 2009. The following table presents the principal components of Exxaro Mineral Sands s operating expenses for the years ended December 31, 2010 and December 31, 2009:

	Years Ended December 31,		
	2010	2009	Change
	(Rand in millions)		
Raw materials and consumables	R 1,078.9	R 1,175.3	R (96.4)
Staff costs	918.2	824.5	93.7
Depreciation and amortization	601.3	479.1	122.2
Energy	501.1	434.0	67.1
Impairment of property, plant and equipment		1,435.0	(1,435.0)
Other operating expenses	1,290.0	565.5	724.5
Total operating expenses	**R 4,389.5**	**R 4,913.4**	**R 523.9**

Raw materials and consumables, which are described under The Business Description of Exxaro Mineral Sands Business Mining and Processing Techniques Raw Materials, experienced a slight decrease of R96.4 million ($7.6 million), or 8.2%, to R1,078.9 million ($147.2 million) for the year ended December 31, 2010 from R1,175.3 million ($139.6 million) for the year ended December 31, 2009. The decrease resulted primarily from a saving at KZN Sands on electrodes, flocculant, reductant and chemicals as a result of both furnaces being down and Namakwa Sands achieving a favorite commodity variance due to the consumption of anthracite at a lower average price.

Staff costs, which include salaries and wages, share-based payments, termination benefits, pension costs and medical costs, increased by R93.7 million ($27.3 million), or 11.4%, to R918.2 million ($125.3 million) for the year ended December 31, 2010 from R824.5 million ($97.9 million) for the year ended December 31, 2009, due to above inflation-related increases.

Depreciation and amortization increased by R122.2 million ($25.1 million), or 25.5%, to R601.3 million ($82.0 million) for the year ended December 31, 2010 from R479.1 million ($56.9 million) for the year ended December 31, 2009, as result of R77.0 million ($10.5 million) in accelerated depreciation from the impairment at KZN Sands and the resultant shorter life of the assets.

Energy costs, which include the energy and fuel supplies used in Exxaro Mineral Sands s production, increased by R67.1 million ($16.8 million), or 15.5%, to R501.1 million ($68.4 million) for the year ended December 31, 2010 from R434.0 million ($51.5 million) for the year ended December 31, 2009, as a result of an average 25% electricity price increase in South Africa, partially offset by a savings at both Namakwa Sands and KZN Sands due to furnaces being out of operation and a reversal of previously accrued Australia Sands s energy costs following settlement of a pricing dispute with Verve Energy, the electricity and steam supplier at the Tiwest Joint Venture s TiO_2 plant.

Impairment of property, plant and equipment, primarily represent an impairment charge during 2009 of R1,435.0 million ($170.4 million) to Exxaro Mineral Sands s investment in KZN Sands as a result of Exxaro Mineral Sands s decision in 2009 not to develop the Fairbreeze mine. This decision negatively affected the carrying value of KZN Sands as of December 31, 2009, because Fairbreeze s development was deemed to be linked to KZN Sands s future economic value. Exxaro Mineral Sands performed a similar evaluation as of December 31, 2010, which indicated that neither a further impairment nor a reversal of the previous impairment was required. For further information, see Recent Developments Fairbreeze Mining Project.

Other operating expenses, which includes corporate service fees, inventory movement, general charges, sales and distribution, royalty taxes, repairs and maintenance and outside services, increased by R724.5 million ($108.8 million), or 128.1%, to R1,290.0 million ($176.0 million) for the year ended December 31, 2010 from R565.5 million ($67.2 million) for the year ended December 31, 2009. During 2009, significant inventory accumulation occurred as a direct result of the global financial crisis, resulting in a R592.3 million ($70.3 million) increase in inventory levels in 2009. Other operating expenses include year-on-year movements in inventory, as the increased inventory levels of 2009 resulted in a corresponding decrease of other operating expenses. The inventory build-up in 2009 could not be prevented as the furnace technology only allows for furnaces to be switched off during planned relines or rebuilds. Switching furnaces off at any other time would result in unnecessary reline costs because all refractories would then need to be replaced prematurely. The abnormal inventory levels subsequently were reduced in 2010, resulting in a R185.9 million ($25.4 million) increase in other operating expenses during 2010.

In addition, higher maintenance costs of R74.9 million ($10.2 million) were incurred as a result of the synthetic rutile shutdown at the Tiwest Joint Venture and the two limited relines on Furnace 2 at Namakwa Sands. Higher sales and distribution costs of R43.3 million ($5.9 million) were incurred due to higher sales volumes at Australia Sands, and royalty taxes increased by R11.5 million ($1.6 million) based on higher turnover and operating profit. These increases were partially offset by lower outside services utilization of R47.3 million ($6.5 million) in 2010. General charges, which include insurance costs, equipment hire and legal charges, among other things, also increased by R106.2 million ($22.3 million), or 24.0%, to R548.2 million ($74.8 million) for the year ended December 31, 2010 from R442.0 ($52.5 million) million for the year ended December 31, 2009, as a result of increases due to inflation and certain contracted amounts where contracts were renegotiated and additional use of equipment and transport, which is variable in nature.

Interest income decreased slightly by R1.6 million ($0.0 million), or 14.8%, to R9.2 million ($1.3 million) for the year ended December 31, 2010, from R10.8 million ($1.3 million) for the year ended December 31, 2009.

Interest expense decreased by R69.7 million ($3.0 million), or 18.9%, to R299.4 million ($40.8 million) for the year ended December 31, 2010, from R369.1 million ($43.8 million) for the year ended December 31, 2009, due to a repayment of R329.7 million ($45.0 million) on the Namakwa Sands interest bearing loans resulting in a R99.3 million ($13.5 million) lower interest payment when compared to 2009. The savings in 2010 was partially offset by additional interest paid on the Kwinana TiO_2 plant expansion as a result of Exxaro Mineral Sands s higher funding allocation.

Income tax benefit/(expense) increased to a R48.2 million ($6.6 million) benefit for the year ended December 31, 2010 from a R307.7 million ($36.5 million) expense for the year ended December 31, 2009, principally due to the derecognition of the deferred tax asset relating to KZN Sands s operations in 2009. The income tax benefit in 2010 was determined by taking into consideration disallowable expenditure, exempt income and special allowances. Disallowable expenditure relates to expenses not deductible in terms of the South African and Australian income tax regulations, and includes depreciation on items of property, plant and equipment for which no tax allowances can be claimed, legal fees, and consulting fees. Exempt income relates primarily to non-taxable interest income between Exxaro Mineral Sands entities which, although eliminated on combination, qualifies as a tax deduction within the entity paying such interest and constitutes non-taxable income for the receiving entity. The special tax allowances relate to additional tax deductions in Australia, calculated as a percentage of the cost of qualifying eligible capital expenditures. The special tax allowances are designed to stimulate new investment by Australian businesses by providing an incentive to bring forward and sustain capital investment.

Year Ended December 31, 2009 Compared to Year Ended December 31, 2008

Exxaro Mineral Sands reported a net loss of R2,071.1 million ($246.0 million) for the year ended December 31, 2009 as compared with a R178.9 million ($21.6 million) net loss for the year ended December 31, 2008. Although higher TiO_2 sales volumes and higher prices on some products improved results in Australia

Sands, demand and prices for zircon, pig iron and chloride slag remained soft, and Exxaro Mineral Sands s operations continued to operate at a loss. TiO_2 demand recovered significantly in the second half of 2009, especially in Asia-Pacific region, and Exxaro Mineral Sands achieved price increases of approximately 15% during this period, and chloride slag, zircon and synthetic rutile prices increased in 2009, as well.

On October 1, 2008, Exxaro TSA Sands acquired the Namakwa Sands operations from Anglo American for R2,783.0 million ($297.6 million). Exxaro Mineral Sands s 2008 results of operations only reflect three months of Namakwa Sands s results as compared with a full twelve months of Namakwa Sands s results during 2009. As a result, all of Exxaro Mineral Sands s revenue and expense figures for 2008 are proportionally less than the comparable figures for 2009.

Namakwa Sands and KZN Sands were negatively impacted by realized and unrealized foreign currency losses, while Australia Sands was negatively affected by the Australian dollar persisting at strong levels against the U.S. dollar. TiO_2 production at Australia Sands during 2009 increased by more than 20% compared with 2008, generally returning to 2007 record levels. The improved performance at Australia Sands can be ascribed to improved operating stability and maintenance shutdown performance. Higher grades at the Tiwest Joint Venture s mining operations combined with maintenance improvement initiatives led to higher mineral production, as the dredging operations moved through high grade areas at the end of the year. Synthetic rutile production at the Tiwest Joint Venture was slightly lower than the record 2008 levels as a result of problems with coal supply and maintenance related issues.

KZN Sands had significantly higher production volumes, with both furnaces operational compared to one furnace being down for 10 months in 2008 after the water ingress incident in February 2008. Titanium slag tapped was 93,000 tonnes higher than in 2008 at 205,000 tonnes, as both furnaces tapped more than 100,000 tonnes of titanium slag each. Pig iron and ilmenite production were 58,000 tonnes and 139,000 tonnes higher, respectively, than in 2008, in line with increased slag production. Zircon and rutile production remained in line with 2008 despite the decrease in run-of-mine tonnes as a result of higher grades mined. Despite increased production, revenue reduced as lower sales volumes of zircon, pig iron and chloride slag were recorded at softer prices.

The impact of the global recession on Namakwa Sands s operations resulted in postponing the Furnace 1 start-up, which was shut down for a reline at the end of March 2009. In addition, production activities at Namakwa Sands s mine and separation plants were temporarily halted in August 2009 to preserve cash flow and avoid building up stocks. This suspension of activity resulted in approximately 40,000 fewer tonnes of titanium slag being tapped in 2009 and approximately 14,000 fewer tonnes of zircon produced in 2009 and resulted in a loss of revenue during the period of approximately R227.0 million ($27.0 million).

Improvement initiatives at Australia Sands led to TiO_2 production returning to 2007 levels, with 2009 production up 23% from 2008 levels. Zircon and rutile production increased as a result of higher grades and various improvement projects. Synthetic rutile production was slightly lower following maintenance-related problems predominantly experienced in the second quarter of 2009. Revenue increased while net operating results improved, which was achieved on the back of a much stronger production performance, higher TiO_2 sales and higher average prices for both mineral and TiO_2 products at a realized rate of US$0.79 to the AUD compared with US$0.84 in 2008.

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The following table presents a summary of Exxaro Mineral Sands s saleable production by product for the years ended December 31, 2009 and December 31, 2008:

	Year Ended December 31, 2009	2008
	(Tonnes)	
Slag tapped	331,000	278,000
Rutile	62,000	59,000
Zircon	185,000	193,000
TiO_2	53,000	43,000
Pig iron and scrap iron	196,000	175,000

The following table presents Exxaro Mineral Sands s consolidated results of operations for the years ended December 31, 2009 and December 31, 2008:

	Years Ended December 31, 2009	2008	Change
	(Rand in millions)		
Revenue	R 3,508.3	R 2,775.4	R 732.9
Operating expenses	(4,913.4)	(2,859.3)	(2,054.1)
Net operating loss	**(1,405.1)**	**(83.9)**	**(1,321.2)**
Interest income	10.8	43.9	(33.1)
Interest expense	(369.1)	(268.1)	(101.0)
Loss before tax	**(1,763.4)**	**(308.1)**	**(1,455.3)**
Income tax (expense)/benefit	(307.7)	129.2	(436.9)
Loss for the year	**R (2,071.1)**	**R (178.9)**	**R (1,892.2)**

Revenue increased by R732.9 million ($81.1 million), or 26.4%, to R3,508.3 million ($416.7 million) for the year ended December 31, 2009, from R2,775.4 million ($335.6 million) for the year ended December 31, 2008. The increase was primarily due to the inclusion of the full year Namakwa Sands results in 2009, as well as an increase in TiO_2 sales and higher average prices at Australian Sands in 2009 from 2008. Namakwa Sands s contribution to revenue in 2009 was R1,334.0 million ($158.4 million) as compared to a R491.0 million ($59.4 million) contribution in 2008. The increased revenue during the period can be attributed to increases in TiO_2 and zircon prices and sales volumes during the second half of 2009. TiO_2 prices increased by an average price increase of 15% during 2009.

Operating expenses increased by R2,054.1 million ($237.8 million), or 71.8%, to R4,913.4 million ($583.5 million) for the year ended December 31, 2009, from R2,859.3 million ($345.7 million) for the year ended December 31, 2008, primarily due to R1,435.0 million ($170.4 million) impairment for the KZN Sands s operations and the inclusion of the full year of Namakwa Sands results in 2009. Namakwa Sands s contribution to operating expenses in 2009 was R1,399.0 million ($166.2 million), as compared with a R336.3 million ($40.7 million) contribution in 2008.

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The following table presents the principal components of Exxaro Mineral Sands s operating expenses for the years ended December 31, 2009 and December 31, 2008:

	Years Ended December 31,		
	2009	2008	Change
	(Rand in millions)		
Raw materials and consumables	R 1,175.3	R 615.1	R 560.2
Staff costs	824.5	573.1	251.4
Depreciation and amortization	479.1	369.4	109.7
Energy	434.0	234.3	199.7
Impairment of property, plant and equipment	1,435.0	52.0	1,383.0
Other operating expenses	565.5	1,015.4	(449.9)
Total operating expenses	**R 4,913.4**	**R 2,859.3**	**R 2,054.1**

Raw materials and consumables increased by R560.2 million ($65.2 million), or 91.1%, to R1,175.3 million ($139.6 million) for the year ended December 31, 2009 from R615.1 million ($74.4 million) for the year ended December 31, 2008, due to the inclusion of a full year of Namakwa Sands s results, which increased costs by R224.0 million ($26.6 million) compared with 2008, as well as higher consumption of electrodes of R74.3 million ($8.8 million), ilmenite of R267.5 million ($31.8 million), and reductant of R45.4 million ($5.4 million) in 2009 due to KZN Sands s furnace 2 being down for 10 months in 2008. Higher consumption levels in 2009 due to higher production and higher coal prices for the synthetic rutile plant at Australia Sands also increased cost. In addition, the Tiwest Joint Venture s TiO_2 production was 11,000 tonnes, or 23.2% higher, in 2009 as compared with 2008 as a result of the shutdown and rebuild of all four chlorinators that took place in 2008.

Staff costs increased by R251.4 million ($28.6 million), or 43.9%, to R824.5 million ($97.9 million) for the year ended December 31, 2009 from R573.1 million ($69.3 million) for the year ended December 31, 2008, primarily as a result of the inclusion of a full year of Namakwa Sands s results in 2009 of R236.0 million ($28.0 million), with the remainder attributable to normal inflationary increases.

Depreciation and amortization increased by R109.7 million ($12.2 million), or 29.7%, to R479.1 million ($56.9 million) for the year ended December 31, 2009 from R369.2 million ($44.7 million) for the year ended December 31, 2008, mainly as a result of the inclusion of Namakwa Sands for a full year in 2009, which represented R114.9 million ($13.6 million) of the total amount in 2009.

Energy costs increased by R199.7 million ($23.2 million), or 85.2%, to R434.0 million ($51.5 million) for the year ended December 31, 2009 from R234.3 million ($28.3 million) for the year ended December 31, 2008. Rising electricity costs in South Africa represented approximately R88.0 million ($10.5 million) of the increase while R110.6 million ($13.1 million) was due to the inclusion of a full year of Namakwa Sands s results in 2009.

Impairment of property, plant and equipment primarily represent an impairment charge during 2009 of R1,435.0 million ($170.4 million) to Exxaro Mineral Sands s investment in KZN Sands as a result of Exxaro Mineral Sands s decision in 2009 not to develop the Fairbreeze mine, as discussed above.

Other operating expenses decreased by R449.9 million ($55.6 million), or 44.2%, to R565.5 million ($67.2 million) for the year ended December 31, 2009, from R1,015.4 million ($122.8 million) for the year ended December 31, 2008. As noted previously, during 2009 significant inventory accumulation occurred as a result of the global financial crisis that reduced other operating expenses (inclusive of inventory movements) with R592.3 million ($70.3 million) in 2009. This increase in inventory levels was partially offset by the inclusion of a full year of Namakwa Sands s results in 2009, which represented an additional R259.4 million ($30.8 million) of the total amount in 2009. General charges increased by R55.2 million ($5.7 million), or 14.3%, to R442.0 million ($52.5 million) for the year ended December 31, 2009 from R386.8 million ($46.8 million) for the year ended December 31, 2008, once again mainly as a result of the inclusion of a full year of Namakwa Sands s results in 2009.

Interest income decreased by R33.1 million ($4.0 million), or 75.4%, to R10.8 million ($1.3 million) for the year ended December 31, 2009, from R43.9 million ($5.3 million) for the year ended December 31, 2008, mainly as a result of lower cash balances in 2009 as compared to 2008.

Interest expense increased by R101.0 million ($11.4 million), or 37.7%, to R369.1 million ($43.8 million) for the year ended December 31, 2009, from R268.1 million ($32.4 million) for the year ended December 31, 2008, due to the interest-bearing borrowings associated with the Namakwa Sands acquisition financing, resulting in an additional R151.9 million ($18.0 million) interest being paid in 2009.

Income tax benefit/(expense) decreased by R436.9 million ($52.2 million), or 338%, to a R307.7 million ($36.5 million) expense for the year ended December 31, 2009 from a R129.2 million ($15.6 million) benefit for the year ended December 31, 2008, mainly due to the de-recognition of deferred tax assets at KZN Sands in 2009.

Liquidity and Capital Resources

Financial Condition and Liquidity

Exxaro Mineral Sands s primary source of liquidity on an ongoing basis is cash flows from operating activities, which is generally used to fund working capital expenditures and to repay any short-term indebtedness incurred for working capital purposes. Exxaro Mineral Sands also incurs borrowings from Exxaro, in the case of Exxaro Mineral Sands s South African operations, and external borrowings, in the case of Exxaro Mineral Sands s Australian operations, to fund short-term working capital needs, refinance existing indebtedness or fund major capital expenditures or asset acquisitions, in each case as further discussed below under Capital Resources.

During 2010, Exxaro Australia implemented a new trade receivable facility, as further discussed below under Investec Finance Facility, under which R161.0 million ($24.3 million) was outstanding as of December 31, 2010, and R154.0 million ($22.8 million) outstanding as of June 30, 2011.

The following table provides information for the analysis of Exxaro Mineral Sands s historical financial condition and liquidity:

	June 30, 2011	December 31, 2010	2009	2008
	(Rand in millions)			
Interest-bearing loans and borrowings(1)	R 3,175.1	R 3,269.9	R 3,432.4	R 3,828.1
Cash and cash equivalents	1,098.1	418.9	276.9	731.1
Working capital(2)	2,967.5	2,423.0	2,592.9	1,926.2
Total assets	11,053.5	10,221.3	9,696.9	11,038.9
Total debt(3)	9,657.8	9,485.2	9,210.6	8,453.9

(1) Includes interest-bearing amounts due to related parties.
(2) Represents excess of current assets, less cash and cash equivalents and amounts due from related parties, over current liabilities, less interest-bearing borrowings and amounts due to related parties.
(3) Includes interest-bearing external borrowings and all amounts due to related parties.

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Cash Flows for Six Months Ended June 30, 2011 Compared to Six Months Ended June 30, 2010

The following table presents Exxaro Mineral Sands s cash flow for the periods indicated:

	Six Months Ended June 30,	
	2011	2010
	(Rand in millions)	
Net cash provided by operating activities	R 334.9	R 306.9
Net cash provided by/(used in) investing activities	352.0	(413.1)
Net cash used in financing activities	(19.6)	(21.5)
Net increase/(decrease) in cash and cash equivalents	R 667.3	R (127.7)

Cash Flows from Operating Activities. Cash provided by operating activities for the six month period ended June 30, 2011 was R334.9 million ($48.6 million) compared to R306.9 million ($40.8 million) for the six month period ended June 30, 2010. The R28.0 million ($7.8 million) increase in cash provided by operating activities during the periods reflects the increase in Exxaro Mineral Sands s net operating profit during 2011, which was offset by an increased investment in working capital.

Cash Flows from Investing Activities. Net cash generated by investing activities for the six month period ended June 30, 2011 was R352.0 million ($51.1 million) compared to net cash used in investing activities of R413.1 million ($54.9 million) for the six month period ended June 30, 2010. The cash used in investing activities during the six month period ended June 30, 2010 was largely attributable to the Kwinana Facility expansion project, while the inflow of cash provided by investing activities during the six months ended June 30, 2011 was largely the result of Tronox s contribution of it 50% share in Kwinana Facility expansion in June 2011.

Cash Flows from Financing Activities. Net cash repaid in financing activities for the six month period ended June 30, 2011 was R19.6 million ($2.8 million), compared to net cash repaid of R21.5 million ($2.8 million) for the six month period ended June 30, 2010.

Cash Flows for Year Ended December 31, 2010 Compared to Year Ended December 31, 2009 and Year Ended December 31, 2008

The following table presents Exxaro Mineral Sands s cash flow for the periods indicated:

	Year Ended December 31,		
	2010	2009	2008
		(Rand in millions)	
Net cash provided by/(used in) operating activities	R 702.9	R (467.6)	R 126.5
Net cash used in investing activities	(990.9)	(1,077.9)	(3,405.3)
Net cash provided by financing activities	433.9	1,088.1	3,661.9
Net increase/(decrease) in cash and cash equivalents	R 145.9	R (457.4)	R 383.1

Cash Flows from Operating Activities. Cash provided by operating activities for the year ended December 31, 2010 was R702.9 million ($95.9 million) compared to a use of funds of R467.6 million ($55.5 million) for the year ended December 31, 2009 and cash generated of R126.5 million ($15.3 million) for the year ended December 31, 2008. The R1,170.5 million ($151.4 million) increase in cash provided by operating activities from 2009 to 2010 reflects the significant increase in Exxaro Mineral Sands s net operating profit and working capital during the period. The R594.1 million ($70.8 million) increase in the amount of cash used in operating activities from 2008 to 2009 reflects the substantial increase in operating expenses as a result of higher staff costs, and an increase in realized losses on currency exchange differences, which was partially offset by increased revenue during the period.

Cash Flows from Investing Activities. Net cash used in investing activities for the year ended December 31, 2010 was R990.9 million ($135.2 million) compared to R1,077.9 million ($128.0 million) for the year ended December 31, 2009 and R3,405.3 million ($411.8 million) for the year ended December 31, 2008. The significant cash expenditures for investing activities in 2008 was the result of the acquisition of the Namakwa Sands operations, with lesser amounts in 2009 and 2010 the result of capital expenditure invested in acquiring property, plant and equipment, and an increase in amounts owing by other entities in the Exxaro group.

Cash Flows from Financing Activities. Net cash provided by financing activities for the year ended December 31, 2010 was R433.9 million ($59.2 million) compared to R1,088.1 million ($129.2 million) for the year ended December 31, 2009 and R3,661.9 million ($442.8 million) for the year ended December 31, 2008. The substantial amounts in 2008 and 2009 were primarily due to the receipt of proceeds from borrowings from Exxaro and other Exxaro companies, primarily for the acquisition of Namakwa Sands.

Capital Expenditure

Exxaro Mineral Sands had capital expenditure of R692.8 million ($94.5 million) for the year ended December 31, 2010, R825.8 million ($98.1 million) for the year ended December 31, 2009, and R623.3 million ($75.4 million) for the year ended December 31, 2008. Capital expenditure for the first six months of 2011 was R142.0 million ($20.6 million), which is R251.6 million ($31.7 million) less than the previous period of 2010. Exxaro Mineral Sands s capital expenditures for the 2011 financial year are expected to be in the range of R350.0 million ($51.8 million) to R400.0 million ($59.2 million), excluding the capital expenditure amounts spent on the Fairbreeze project, which will be reimbursed by Tronox Limited in connection with the completion of the Transaction pursuant to the terms of the Transaction Agreement, as further described under Description of Transaction Documents The Transaction Agreement Closing Adjustments. Capital expenditure is anticipated to remain at such levels for 2012.

Capital Resources

On a net basis, Exxaro Mineral Sands borrowed approximately R537.4 million ($73.3 million) in a combination of interest-bearing loans and loans from other Exxaro companies during 2010, and repaid approximately R103.5 million ($14.1 million) of its outstanding indebtedness. During the six months ended June 30, 2011, Exxaro Mineral Sands borrowed approximately R26.7 million ($3.9 million) in loans from other Exxaro companies, and repaid approximately R46.3 million ($6.7 million) of its outstanding indebtedness.

Syndicated Loan Facility

On October 11, 2005, Australia Sands entered into a multicurrency syndicated loan facility arranged through ANZ Limited. As of December 31, 2010, US$9.4 million remained undrawn under the facility and US$35.6 million was outstanding under the facility. The facility was guaranteed by each member of Exxaro Australia and secured by Exxaro Australia s investment in the Tiwest Joint Venture, which is subordinated to the cross-charges existing between Tiwest Pty Ltd, Tronox Western Australia Pty Ltd and Australia Sands, and Exxaro Australia s other property, subject to subordination in favor of the lender under the Investec loan facility in respect of the trade receivables priority assets. As required under the Second Amendment and Restatement Deed dated July 30, 2010, the syndicated loan facility was repaid in full on July 6, 2011 and all pledges of security interests were released. Interest was payable quarterly at bank base rate (BBR) plus 2% per annum until July 31, 2010, and from August 1, 2010, interest was payable quarterly at BBR plus 3% per annum.

Guaranteed Senior Secured Notes

In 1998 and 2004, Ticor Finance (A.C.T.) Pty Ltd, an entity controlled by Australia Sands, issued US$10.0 million and US$50.0 million in guaranteed senior secured notes, of which a total of US$58.4 million and US$58.4 million was outstanding as of December 31, 2010 and June 30, 2011, respectively. The senior secured notes are guaranteed by each member of Exxaro Australia and secured by the same assets that provide security for the syndicated loan facility. The interest rate for the 1998 series of notes is fixed with respect to an assessed credit rating at a weighted average rate of 8.68% during 2010 (an increase from 7.68% during 2009) and interest is paid quarterly. The interest rate for the 2004 series of notes is fixed with respect to an assessed credit rating at a weighted average rate of 7.45% during 2010 (an increase from 6.45% during 2009) and interest is paid semi-annually. There were no changes in interest rates during the six months ended June 30, 2011.

Investec Finance Facility

On July 30, 2010, Yalgoo Minerals Pty Ltd, an entity controlled by Australia Sands, entered into a two-year, US$25.0 million amortizing non-revolving secured cash advance facility which is repayable by sixteen initial monthly installments of US$250,000, followed by four monthly installments of US$1.0 million and a subsequent final bullet repayment of US$17.0 million. As of December 31, 2010 and June 30, 2011, the balance on this facility was US$24.25 million and US$22.0 million, respectively. The finance facility is subject to monthly interest charge at a margin of 3.5% plus one month London Interbank Offer Rate (LIBOR). Additionally, a receivables fee is charged during the period from the initial draw down until the facility s end date of 1% per annum, calculated on a daily basis on the higher of the outstanding amount and the facility limit payable monthly in arrears. The facility is secured by Exxaro Australia s trade receivables priority assets and, subject to subordination in respect of the Tiwest Joint Venture and the lenders of the syndicated loan facility and the guaranteed senior secured notes, Exxaro Australia s other property.

Exxaro Namakwa Sands Acquisition Loan

In 2008, Exxaro provided Exxaro Mineral Sands with a loan in the amount R3,114.1 million ($333.1 million) to finance the acquisition of Namakwa Sands, of which R2,238.5 million ($331.1 million) was outstanding as of June 30, 2011. The loan bears interest that varies between the Jibar 3-month interest rate plus 120 and 130 basis points. The final repayment date for the loan is November 2013.

Exxaro Shareholder Loan

Exxaro has provided Exxaro Mineral Sands with an interest-free, unsecured loan with no fixed repayment terms in the amount of R2,473.7 million ($373.7 million), of which 74% will be sold to Tronox Limited in connection with the Transaction.

Indebtedness and Contractual Obligations

The table below sets forth Exxaro Mineral Sands s indebtedness and contractual obligations as of December 31, 2010.

	Payments Due by Period			
	Total	Less than 1 year	1-5 years	More than 5 years
	(Rand in millions)			
Contractual Obligations				
Long-term debt obligations, including current portion[(1)]	9,345.9	6,482.0	2,808.2	55.7
Finance lease obligations	513.8	34.0	119.7	360.1
Operating lease obligations	41.7	21.4	20.3	
TOTAL	**9,901.4**	**6,537.4**	**2,948.2**	**415.8**

(1) Includes Exxaro shareholder loan and other amounts due to related parties.

Of the approximately R6.5 billion ($1.0 billion) in contractual obligations due within one year, approximately R6.2 billion ($0.9 billion) comprises amounts due to related parties in the form of shareholder loans. The shareholder loans will remain outstanding after the completion of the Transaction. Exxaro Mineral Sands s management expects that Exxaro Mineral Sands will generate sufficient cash flow to repay its current external liabilities during 2012. Exxaro has provided legally binding letters of support to Exxaro Mineral Sands, including an undertaking to provide Exxaro Mineral Sands with such additional facilities as may be required to ensure that it remains as a going concern, for so long as each Exxaro Mineral Sands entity continues to be wholly-owned by Exxaro.

Contingencies

Exxaro Mineral Sands carried contingent liabilities of R222.3 million ($32.9 million) as of June 30, 2011 and December 31, 2010, R180.4 million ($24.4 million) as of December 31, 2009 and R167.8 million ($17.9 million) as of December 31, 2008, arising from ordinary course guarantees for which it anticipates that no material liability will arise, which includes a portion of the contingent liability attributable to Exxaro Mineral Sands s guarantees to the DMR in respect of environmental liabilities for closure of its mining operations. The increase from 2009 to 2010 is mainly attributable to the revaluation of Exxaro Mineral Sands s environmental liability, which required Exxaro Mineral Sands to issue additional guarantees to the DMR following an assessment during 2010.

Exxaro Mineral Sands disclosed a contingent asset in the amount of R98.6 million ($13.4 million) in 2009 and R135.0 million ($14.4 million) in 2008 as a result of a water ingress incident that resulted in substantial damage to Furnace 2 at the KZN Sands central processing complex at Empangeni. The incident and the extent of the resultant damage were subject to a detailed investigation, and an insurance claim was submitted in 2008 in the amount of R135.0 million ($14.4 million). As the respective claims were resolved and Exxaro Mineral Sands received payment, amounts were recognized as part of operating profit/(loss) in 2008, 2009 and 2010.

Material New Accounting Standards

No new material accounting standards were adopted during the periods presented. New accounting standards are discussed under Note 3 to Exxaro Mineral Sands s audited annual combined financial statements.

Quantitative and Qualitative Disclosure about Market Risks

Exxaro Mineral Sands s principal financial instruments, other than derivatives, comprise non-interest-bearing loans, interest-bearing borrowings, cash and short-term deposits. Exxaro Mineral Sands has various other financial instruments, such as trade payables and trade receivables, which arise directly from its operations. Exxaro Mineral Sands historically has entered into derivative transactions to hedge its foreign currency risk arising on imported capital expenditures and some trade-related payables and receivables. Exxaro Mineral Sands does not trade in financial instruments, in accordance with its own internal policy.

Financial Risk Management Objectives

Exxaro Mineral Sands s senior management and Exxaro s Audit and Risk Management Committee monitor and manage the financial risks relating to Exxaro Mineral Sands s operations through internal risk reports which analyze exposures by degree and magnitude of risks These risks include currency risk, interest rate risk and commodity price risk. Exxaro Mineral Sands s overall risk management program identifies, quantifies and assesses impacts on the business and implements mitigating strategies to minimize potential adverse effects on Exxaro Mineral Sands s financial performance. Exxaro Mineral Sands s senior management oversees the management of these risks, and financial risk-taking activities are governed by appropriate policies and procedures so that financial risks are identified, measured and managed in accordance with group policies. The policies for managing each of these risks are summarized below.

Currency Risk

Exxaro Mineral Sands exports most of its products outside of its production centers in South Africa and Australia, and Exxaro Mineral Sands s sales transactions, imported capital equipment and external borrowings are mainly denominated in U.S. dollars while most of its operating costs are in South African Rand and Australian dollars, which expose the business to exchange rate fluctuations. Exxaro Mineral Sands utilizes derivative financial instruments, such as forward exchange contracts, currency options, call options and zero cost options, to minimize its exposure to currency risk. The use of such derivatives is governed by a hedging policy which has been approved by Exxaro s board of directors. Exxaro Mineral Sands s management provides Exxaro with monthly reports on compliance with the hedging policy, and the internal auditors review compliance annually. Exxaro Mineral Sands does not enter into or trade financial instruments for speculative purposes.

Exxaro Mineral Sands s South African operations foreign exchange rate position is fully covered with respect to its imported capital equipment financing by fully converting these exposures to Rand. Trade-related import currency exposure is managed through economic hedges arising from export revenue and forward exchange contracts. Trade-related export currency exposure, especially with respect to its short-term receivables, is hedged using forward exchange contracts and various options. Most derivative currency hedging instruments have a maturity of less than one year and can be rolled-over at maturity.

The following table includes outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% increase in foreign currency rates and demonstrates Exxaro Mineral Sands s sensitivity to such increases (a 10% decrease in the Rand against each foreign exchange rate would have an equal but opposite effect on the above, assuming all other variables remain constant). This analysis includes foreign currency denominated monetary items (such as cash balances, trade receivables, trade payables and loans). A positive number represents a gain, while a negative number represents a loss. For example, an increase in the Rand-to-U.S. dollar exchange rate from R7.94:US$1 to R8.73:US$1 represents a weakening of the Rand against the U.S. dollar, which results in an incurred (unhedged) profit of R0.79. The opposite applies for a decrease in the exchange rate.

	Profit or (loss)			Equity		
	2010	2009	2008	2010	2009	2008
	(Rand in millions)					
US$	21.3	15.8	78.5	(34.9)	(28.2)	(4.0)
Euro	2.4	0.3	(0.3)			

Interest Rate Risk

Exxaro Mineral Sands has credit facilities that permit borrowing at fixed and floating interest rates, which exposes it to interest rate risk. Exxaro Mineral Sands does not actively hedge its interest rate risk, but manages the risk by maintaining what is considers an appropriate mix between fixed and floating rate borrowings taking into account future interest rate expectations. Exxaro Mineral Sands also has used interest rate derivatives in the past to hedge specific interest rate exposures. The interest rate sensitivity table below has been determined based on Exxaro Mineral Sands s exposure to interest rates and the potential impact on earnings, given a 50 basis point movement in interest rates, for the years ended December 30, 2010 and 2009, showing the changes from the beginning of each financial period and held constant throughout the reporting period.

	Increase of 50 basis points in interest rate		Decrease of 50 basis points in interest rate	
	2010	2009	2010	2009
	(Rand in thousands)			
Profit/(loss)	(18)	(18)	18	18

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Credit Risk

Credit risk relates to potential default by counterparties on cash and cash equivalents, investments, trade receivables and hedged positions. Exxaro Mineral Sands limits its counterparty exposure arising from money market and derivative instruments by only dealing with well-established financial institutions of high credit standing. Exxaro Mineral Sands s exposure and the credit ratings of its counterparties are continuously monitored and the aggregate transaction value is spread among various approved counterparties, and it controls credit exposure by counterparty limits that are reviewed and approved annually.

Trade receivables are generated by a number of customers with whom Exxaro Mineral Sands has long-standing relationships, which represents a substantial portion of Exxaro Mineral Sands s term supply arrangements, resulting in limited credit exposure. Exxaro Mineral Sands further manages this exposure by monitoring customer credit worthiness, country risk assessments, and where indicated, obtaining a combination of confirmed letters of credit and credit risk insurance.

Exxaro Mineral Sands establishes an allowance for non-recoverability or impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established based on similar financial assets in respect of losses that have historical data of payment statistics.

A financial asset s carrying amount represents the maximum credit exposure. The maximum exposure to credit risk as of December 31, 2010 and 2008 was equal to the carrying value of Exxaro Mineral Sands s total financial assets. The combined company does not have any significant credit risk exposure to any single counterparty or any combined company of counterparties having similar characteristics.

The tables below provide details of Exxaro Mineral Sands s trade receivable credit risk exposure by industry and country as of December 31, 2010.

By Industry	%	By Geographical Area	%
Manufacturing	24	USA	50
Paint	23	Asia	23
Plastic	11	Europe	21
Merchants	9	South Africa	3
Paper	4	Australia	1
TiO_2, ceramics and chemicals	4	Other	2
Other	25	**Total**	**100**
Total	**100**		

Commodity Price Risk

Exxaro Mineral Sands is exposed to commodity price risk for all of its products and does not actively hedge its exposure through the use of derivative instruments, which are not readily available for the commodities produced by Exxaro Mineral Sands.

Related Party Transactions

Exxaro Mineral Sands enters into inter-company and related party commercial agreements in the ordinary course of its business. In total, as of December 31, 2010, 2009 and 2008, Exxaro Mineral Sands owed R8,561.9 million ($1,293.3 million), R8,454.5 million ($1,145.6 million) and R7,740.0 million ($827.8 million), respectively, and R8,701.0 million ($1,287.1 million) at June 30, 2011, to Exxaro and other Exxaro companies.

Part of these borrowings are unsecured loans with no fixed repayment terms from Exxaro and other Exxaro companies with balances of R6,215.3 million ($938.9 million), R5,778.2 million ($783.0 million) and R4,625.8 million ($494.7 million) as of December 31, 2010, 2009 and 2008, respectively, and R6,482.8 million ($959.0 million) at June 30, 2011. Exxaro Mineral Sands made interest payments to Exxaro for the Namakwa Sands loan in the amount of R208.4 million ($28.4 million), R307.7 million ($36.5 million) and R155.8 million ($18.8 million) in 2010, 2009 and 2008, respectively, and R79.7 million ($11.6 million) for the six months ended June 30, 2011. Exxaro Mineral Sands also advances funds to other entities in the Exxaro group of companies. As at December 31, 2010, 2009, and 2008, Exxaro Mineral Sands was owed R1,057.5 million ($159.7 million), R782.8 million ($106.1 million) and R681.2 million ($72.9 million), respectively, and R1,064.8 million ($157.5 million) at June 30, 2011 by Exxaro and other companies within the Exxaro group.

Exxaro Mineral Sands paid fees to Exxaro for management, information technology, administrative and accounting services, research and development costs of R152.8 million ($20.8 million), R151.2 million ($18.0 million) and R159.7 million ($19.3 million) for the years ended December 31, 2010, 2009 and 2008, respectively, and R66.5 million ($9.7 million) for the six months ended June 30, 2011.

Exxaro did not receive dividends from Exxaro Mineral Sands during 2010 and 2009.

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MANAGEMENT

Set forth below are the names of those individuals that serve as officers and directors of Tronox Incorporated. Each of these individuals are expected to serve in the same capacities at Tronox Limited, in the case of directors as Class A Directors, following completion of the Transaction and no longer serve in such capacities at Tronox Incorporated, except for Mr. Gervis who has agreed to step down from the Tronox Incorporated board of directors upon completion of the Transaction and not serve on the Tronox Limited board of directors in order to facilitate the reorganization of the Tronox Limited board of directors in accordance with the Transaction Agreement.

Name	Age	Position
Thomas Casey	59	Chairman of the Board and Chief Executive Officer
Daniel D. Greenwell	49	Chief Financial Officer
Robert M. Gervis	51	Director
Andrew P. Hines	72	Director
Wayne A. Hinman	65	Director
Ilan Kaufthal	64	Director
Jeffry N. Quinn	52	Director
John D. Romano	47	Executive Vice President
Michael J. Foster	44	Vice President, General Counsel and Secretary
Robert C. Gibney	49	Vice President, Administration and Materials Procurement
Edward G. Ritter	50	Controller and Chief Accounting Officer

Executive Officers

Set forth below is a description of the backgrounds of our executive officers. There are no family relationships among any of our executive officers or directors.

Thomas Casey, 59

Chairman of the Board and Chief Executive Officer

Mr. Casey currently serves as Chairman of the Board and Chief Executive Officer of Tronox Incorporated. Mr. Casey has served as Chairman since February 2011 and as Chief Executive Officer since October 2011. Mr. Casey served as Chief Executive Officer of Integra Telecom, Inc. from February 2011 until October 2011 when Mr. Casey assumed the position of Chief Executive Officer of Tronox Incorporated. He has previously served as Chairman of the Board of Integra Telecom between December 2009 and February 2011, Chief Executive Officer and President of Current Group LLC between January 2007 and December 2009, Chairman of the Board of Pacific Crossing Ltd., as Chief Executive Officer and Chairman of the Board of Choice One Communications, Inc., and as Chief Executive Officer and Director of One Communication Corp and of Global Crossing Ltd. Mr. Casey was a managing director of Merrill Lynch & Co, and was a partner at Skadden, Arps, Slate, Meagher & Flom LLP and at Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. He also had various positions in the United States Government, including in the Antitrust Division of the U.S. Department of Justice. Mr. Casey graduated with honors from Boston College and The George Washington University, National Law Center. These positions give Mr. Casey significant insight into, and understanding of, complex transactions and business operations, including with respect to the banking, legal, and operational aspects thereof. On April 11, 2005, the SEC, Global Crossing, Mr. Casey (who was at the relevant time the Chief Executive Officer of Global Crossing) and other members of Global Crossing s management reached a settlement related to an SEC investigation regarding alleged violations of the reporting provisions of Section 13(a) of the Exchange Act (and regulations thereunder), with such parties agreeing not to cause any violations of such reporting provisions. In the settlement, no party admitted liability and no other violations of securities laws were alleged. The Tronox Incorporated board of directors was fully aware of the settlement order and its circumstances and, in naming Mr. Casey as Chief Executive Officer, expressed its confidence in his ability to serve as Chief Executive Officer.

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Daniel D. Greenwell, 49

Chief Financial Officer

Mr. Greenwell has been the Chief Financial Officer of Tronox Incorporated since January 2, 2012. Before that, he served as Senior Vice President and Chief Financial Officer of Terra Industries, Inc. from July 2007 to April 2011; Vice President and Controller of Terra Industries, Inc. from April 2005 to July 2007; Director of Terra Nitrogen GP Inc., the General Partner of Terra Nitrogen Company, L.P., from March 2008 to April 2011; Vice President and Chief Financial Officer of Terra Nitrogen GP Inc. from February 2008 to April 2011; Vice President and Chief Accounting Officer of Terra Nitrogen GP Inc. from April 2006 to February 2008; Corporate Controller for Belden CDT Inc. from 2002 to 2005; and Chief Financial Officer of Zoltek Companies from 1996 to 2002.

John D. Romano, 47

Executive Vice President

Mr. Romano has been the Executive Vice President of Tronox Incorporated since January 1, 2011 and Vice President, Sales and Marketing of Tronox Incorporated since January 2008. Before that he served as Vice President, Sales for Tronox Incorporated from 2005 to January 2008; Vice President, Global Pigment Sales for Tronox LLC from January 2005 to November 2005; Vice President, Global Pigment Marketing for Tronox LLC from 2002 to 2005 and Regional Marketing Manager for Tronox LLC from 1998 to 2002.

Michael J. Foster, 44

Vice President, General Counsel and Secretary

Mr. Foster has been the Vice President, General Counsel and Secretary of Tronox Incorporated since January 2008. Before that he served as Managing Counsel of Tronox Incorporated from 2006 to January 2008, Staff Attorney of Tronox Incorporated from 2005 to 2006 and Staff Attorney for Kerr-McGee Shared Services LLC from 2003 to 2005. Corporate Counsel for CMS Field Services from 2001 to 2003. Counsel for Enogex, Inc. from 1998 to 2001. Mr. Foster s experience also includes more than five years practicing law in the public and private sectors.

Robert C. Gibney, 49

Vice President, Administration and Materials Procurement

Mr. Gibney has served as Vice President, Administration and Materials Procurement for Tronox Incorporated since January 1, 2011. Before that he served as Vice President of Corporate Affairs for Tronox Incorporated from March 2008 to January 2011, Vice President, Investor Relations and External Affairs for Tronox Incorporated from 2005 to March 2008 and Vice President and General Manager, Paper and Specialties for Tronox LLC from January 2005 to November 2005. Mr. Gibney s other experience includes Chief Marketing Officer for Kerr-McGee s joint venture, Avestor LLC, from 2002 to 2005. Vice President, Global Pigment Marketing for Tronox LLC from 1999 to 2002; Director, Pigment Sales and Marketing from 1997 to 1999. Mr. Gibney joined Tronox LLC in 1991.

Edward G. Ritter, 50

Controller and Chief Accounting Officer

Mr. Ritter has served as the Controller and Chief Accounting Officer of Tronox Incorporated since June 2008. Before that he served as Assistant Controller of Tronox Incorporated from November 2007 to June 2008, Director North America Accounting Operations of Tronox Incorporated from July 2006 and Finance Manager of Tronox Incorporated from August 2002. Mr. Ritter s other experience includes serving as Corporate Controller at AMX Corporation from November 2001 until May 2002 and Vice President and Controller of TriQuest LP from January 1998 until November 2001. From 1985 until 1998 he held various positions of increasing responsibility with Hoechst Celanese Corporation.
Mr. Ritter began his career with two years at Price Waterhouse (Coopers) in Hackensack N.J. Mr. Ritter is a Certified Public Accountant and has an MBA in Finance from Seton Hall University.

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Board of Directors

Robert M. Gervis, 51

Mr. Gervis has been a director of Tronox Incorporated since February 2011. He is presently Managing Member and President of Epilogue, LLC, a consulting and advisory firm. He is also a member of the board of directors of Georgia Gulf Corporation, where he is chairman of the Nominating and Corporate Governance Committee and a member of the Finance Committee. Mr. Gervis also serves on other private company and not-for-profit boards, and is an active investor in start-up companies. Mr. Gervis was previously a Senior Vice President of Fidelity Management & Research Company and has held various positions at Fidelity subsidiaries and affiliates. Prior to joining Fidelity, he was a partner of Weil Gotshal & Manges. Mr. Gervis graduated from Lehigh University with a B.S. in Industrial Engineering and received his J.D. from The George Washington University Law School. These positions, combined with the sophisticated transactional work Mr. Gervis managed as a partner of Weil, Gotshal & Manges, gives Mr. Gervis significant insight into, and understanding of complex transactions that may be presented. In addition, because Mr. Gervis has served on many boards, he has substantial experience regarding how boards can and should effectively oversee and manage companies, and a significant understanding of governance issues.

Andrew P. Hines, 72

Mr. Hines has been a director of Tronox Incorporated since February 2011. Mr. Hines has been Executive Vice President/Chief Financial Officer of RHI Entertainment since June 2011. The company developes, produces and distributes original made-for-television movies and mini-series. Prior to that time he was a principal of Hines and Associates, a financial management consulting firm. From September 2009 to June 2010, Mr. Hines served as Executive Vice President/Chief Financial Officer of World Color Press Inc. (Worldcolor) (formerly Quebecor World), a company which provided high-value and comprehensive print, digital and related services to businesses worldwide. From October 2006 to August 2009, Mr. Hines was a principal of Hines and Associates, and from October 2005 to September 2006, he served as Vice President and Chief Financial Officer of GenTek, Inc., a manufacturer of industrial components and performance chemicals. Mr. Hines is also a director of Hughes Telematics, Inc and C&D Technologies, Inc. and he is Chairman of both Companies Audit Committee. From November 2003 to 2007, Mr. Hines served as a director and Chairman of the Audit Committee of Superior Essex, Inc. Mr. Hines has in-depth financial experience and highly valued senior leadership experience, making him a valued member of our Board of Directors. Because of his accounting background and extensive financial experience, Mr. Hines has been named Chairman of the Audit Committee, as well as the Audit Committee financial expert, as defined by the applicable rules of the Securities and Exchange Commission.

Wayne A. Hinman, 65

Mr. Hinman has been a director of Tronox Incorporated since February 2011. He served in various positions at Air Products & Chemicals, Inc during his 33 year career, including, President of Asia, and most recently vice president and general manager of the worldwide merchant gases business. He also has served as an Air Products director on numerous joint venture boards. In the past, Mr. Hinman has served as a member of the board of directors of American Refuel, Pure Air USA, and Taylor-Wharton Int l. Mr. Hinman served in the United States Air Force achieving the rank of Captain. He graduated from Belknap College, received his MBA from Virginia Polytechnic Institute and completed the Harvard AMP program. With his extensive background in international business, Mr. Hinman brings a unique perspective to the board and makes him an invaluable advisor.

Ilan Kaufthal, 64

Mr. Kaufthal has been a director of Tronox Incorporated since February 2011. He is Senior Advisor at Irving Place Capital. Prior to joining Irving Place Capital, he was Vice Chairman of Investment Banking at Bear Stearns & Co., Vice Chairman and Head of Mergers and Acquisitions at Schroder & Co., and SVP and CFO at NL Industries. Mr. Kaufthal serves on the board of directors of Cambrex Corporation and Edmunds.com. He is a member of the Advisory Board of Jerusalem Venture Partners Media Fund. Mr. Kaufthal is also Chairman of East Wind Advisors, an investment banking advisory firm. He is a graduate of Columbia University and the New York University Graduate School of Business Administration. With his extensive background in the investment banking community coupled with his business experience as the Chief Financial Officer of NL Industries, Mr. Kaufthal brings a unique perspective to the board. Mr. Kaufthal s extensive investment banking experience makes him an invaluable advisor particularly in the context of merger and acquisition activities.

Jeffry N. Quinn, 52

Mr. Quinn has been a director of Tronox Incorporated since February 2011. He is currently Chairman, CEO and President of Solutia Inc. Mr. Quinn joined Solutia in 2003 as Senior Vice President, General Counsel and Secretary. Mr. Quinn became Solutia s President and CEO and a director of Solutia in May 2004 and was elected Chairman of the Board of Solutia in February 2006. Previously, Mr. Quinn was Executive Vice President of Premcor Inc., one of the nation s largest independent oil refiners. His responsibilities included the legal, human resources, governmental and public affairs, and strategic planning functions. In addition, he also served as Senior Vice President, General Counsel and Secretary of Arch Coal, Inc., the nation s second-largest coal producer. Mr. Quinn was previously a director of Tecumseh Products Co. and serves as a Director of the American Chemistry Council. Mr. Quinn received a bachelor s degree in engineering and a Juris Doctor degree, both from the University of Kentucky. Mr. Quinn is eminently qualified to serve as director with senior level executive leadership experience in diverse industries and broad experience in a wide range of functional areas, including strategic planning, mergers and acquisitions, human resources, and legal and governmental affairs. He also has extensive experience in board process and governance.

Each of the directors set forth above was selected by creditors in the Tronox Incorporated Chapter 11 proceedings that backstopped the rights offering conducted by Tronox Incorporated in such Chapter 11 proceedings. The backstop parties made their selections in consultation with Tronox Incorporated and the official committee of unsecured creditors in Tronox Incorporated s Chapter 11 proceedings.

The following individuals are expected to join the board of Tronox Limited as Class B Directors upon appointment by Exxaro:

Tronox Incorporated Board Committees

Standing committees of the Tronox Incorporated board are the following: the Audit Committee, the Human Resources and Compensation Committee (HRCC), the Corporate Governance and Nominating Committee (CGNC) and the Strategic Committee. Each of the board s committees has a written charter, which can be found on the Corporate Governance page of the Investor Relations section of our website at *www.tronox.com*. The chart below shows Tronox Incorporated s committee assignments:

Name	Board	Audit	HRCC	CGNC	Strategic
Mr. Casey	D				DD
Mr. Gervis					
Mr. Hines		D			
Mr. Hinman				D	
Mr. Kaufthal					DD
Mr. Quinn			D		

D Chair DD Co-Chair Member

The board of Tronox Incorporated has made the determination that Mr. Hines is an audit committee financial expert as set forth in Item 407(d)(5) of Regulation S-K. The board determined that Mr. Hines acquired such attributes through his experience in preparing, auditing, analyzing or evaluating financial statements containing accounting issues as generally complex as our financial statements, or actively supervising one or more persons engaged in such activities, and his experience of overseeing or assessing the performance of companies and public accountants with respect to the preparation, auditing or evaluation of financial statements. The board further determined that each member of the Audit Committee is financially literate and able to read and understand our financial statements.

Mr. Hines has in-depth financial experience and highly valued senior leadership experience, making him a valued member of Tronox Incorporated s board of directors. Because of his accounting background and extensive financial experience, Mr. Hines has been named Chairman of the Audit Committee, as well as the Audit Committee financial expert, as defined by the applicable rules of the Securities and Exchange Commission.

Code of Business Conduct and Ethics

Tronox Incorporated s board of directors has adopted a Code of Business Conduct and Ethics that applies to all of our employees, officers and directors. The purpose and role of this code is to focus our employees, officers and directors on areas of ethical risk, provide guidance to help them recognize and deal with ethical issues, provide mechanisms to report unethical or unlawful conduct, and to help enhance and formalize our culture of integrity, honesty, and accountability. Tronox Incorporated s board of directors also has supplemented the Code of Business Conduct and Ethics with a Code of Ethics for the Chief Executive Officer and Principal Financial Officers. Each of these codes of conduct can be found on the Corporate Governance page of the Investor Relations section of our website at *www.tronox.com*. We also will post any amendments to the codes of ethics and any waivers required to be disclosed by SEC rules on our website.

Tronox Limited Board Committees

Following completion of the Transaction, Tronox Limited will have an Audit Committee, a Special Committee to address all issues and matters relating to the Transaction and other issues between Exxaro and Tronox Limited, a Nominating Committee and such other committees as determined by the Board of Tronox Limited, as discussed further under Governance of Tronox Limited.

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EXECUTIVE COMPENSATION

For the purposes of this Executive Compensation discussion, unless otherwise stated or the context otherwise requires, references to we, us, and our refer to Tronox Incorporated and its subsidiaries collectively.

Compensation Discussion and Analysis

The following Compensation Discussion and Analysis describes the material elements of the compensation paid to each of Tronox Incorporated s named executive officers identified in the Summary Compensation Table. This discussion should be read in conjunction with the named executive compensation tables below.

Compensation Philosophy and Objectives

Our executive compensation program is designed to attract, retain and motivate talented executive officers and also to align the objectives of our executive officers with our stockholders expectations of increased value. In support of that objective, our executive compensation program is intended to:

- provide competitive levels of total compensation for our executive officers;
- reward the achievement of specific annual, long-term and strategic company goals and specific individual goals set for each executive officer;
- align our executive officers interests with those of the stockholders through equity-based awards and by rewarding performance based upon established goals, with the ultimate objective of improving stockholder value; and
- motivate our executive officers and other employees to achieve superior results.

Setting Executive Compensation

Elements of Compensation

The Human Resources and Compensation Committee (HRCC) from the time Tronox Incorporated emerged from bankruptcy determines all components of executive compensation and will consider the following elements to promote our pay-for-performance philosophy and compensation goals and objectives:

- base salary;
- annual cash incentive awards linked to our overall performance;
- grants of long-term equity-based compensation, such as restricted stock or options;
- termination and change of control provisions; and

benefits generally available to employees.

We combine these elements in order to formulate compensation packages that provide competitive pay, reward the achievement of financial, operational and strategic objectives and align the interests of our executive officers and other senior personnel with those of our stockholders.

Pay Mix

We utilize the particular elements of compensation described above because we believe that it provides a mix of secure compensation, retention value and at-risk compensation which produces short-term and long-term performance incentives and rewards. By following this approach, we provide the executive with a measure of financial and job security, while motivating the executive to focus on business metrics that will produce a high level of short-term and long-term performance for Tronox Incorporated that will create value for shareholders and executives alike. Our compensation mix, which includes short- and long-term incentives and rewards reduces the risk of recruitment of our top executive talent by competitors. The mix of metrics used for our annual

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performance bonus and long-term incentive program likewise provides an appropriate balance between short-term financial performance and long-term financial and stock performance. All incentives are aligned with our stated compensation philosophy of providing compensation commensurate with performance, while targeting pay at approximately the 50th percentile of the competitive market.

Role of the Human Resources and Compensation Committee

The HRCC administers our executive compensation program and assists our board of directors in fulfilling its oversight responsibilities with respect to the compensation we pay to our executive officers and our non-employee directors. Among its other duties, the HRCC:

- evaluates and recommends to the board of directors, the total compensation of our Chief Executive Officer;
- reviews and evaluates the salaries and benefits recommended by our Chief Executive Officer for all of our other executive officers and makes recommendations to the board of directors regarding the compensation paid to our other executive officers after making any changes it deems appropriate to the recommendations of our Chief Executive Officer;
- evaluates and recommends to the board of directors, the incentive compensation to be awarded for all executive officers;
- recommends to the board of directors individual performance goals for our Chief Executive Officer and, after making any changes it deems appropriate to the recommendations for our Chief Executive Officer, recommends to the board of directors performance goals for our other executive officers; and
- considers industry conditions, relevant market conditions and our prospects and achievements when making recommendations with respect to compensation matters.

The HRCC has established the following percentile targets as guidelines for determining the compensation of our named executive officers using the benchmark statistics provided by our compensation consultant (described below):

Compensation Element	Percentile Target
Total Direct Compensation	50^{th}
Base Salary	50^{th}
Annual Incentive Awards	50^{th}
Long-Term Incentive Awards	50^{th}

The actual pay level for each named executive officer may vary from these targeted levels based on experience, job performance, actual duties and company performance. The compensation of our named executive officers is approved by the board of directors based upon recommendations from the HRCC. When making recommendations with respect to our named executive officers other than our Chief Executive Officer, the HRCC considers the recommendations made by the Chief Executive Officer and his evaluation of our other executive officers performance.

Elements considered by the HRCC and our Chief Executive Officer when reviewing our performance include: stock price, our performance as measured against the performance goals established under the Annual Incentive Plan for the previous year, non-controllable events that may impact our performance, attainment of significant non-financial milestones and any other factors or goals it determines to be relevant to measuring our performance. The individual performance of our named executive officers is measured against individual performance goals that were set for the named executive officer.

Our HRCC and Board of Directors have analyzed and continue to monitor whether our compensation practices with respect to executive officers or any of its employees create incentives for risk-taking that could

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harm Tronox Incorporated or its business. The HRCC and the Board of Directors have all determined that none of Tronox Incorporated s compensation practices creates a risk that is reasonably likely to have a material adverse effect on the Company.

Role of the Compensation Consultant

The HRCC has engaged Lyons, Benenson & Company Inc. as its compensation consultant, to provide information to the HRCC to assist it in making determinations regarding our compensation programs for executives and non-employee directors. Our compensation consultant provides the HRCC with a competitive pay analysis comparing the compensation of our named executive officers against the benchmark compensation statistics compiled by our compensation consultant, which includes compensation programs and levels among a peer group of comparable companies in our industry. Members of Tronox Incorporated s peer group for 2011 included:

Cabot Corp.	FMC Corp.	PPG Industries, Inc.	Teck Resources Ltd.
Celanese Corp.	Freeport-McMoran Cooper & Gold Inc.	Rockwood Holdings, Inc.	The Valspar Corp.
Chemtura Corp.	Georgia Gulf Corp.	RPM Holdings, Inc.	W.R. Grace & Co.
Cliffs Natural Resources, Inc.	Huntsman Corp.	The Sherwin Williams Co.	Westlake Chemical Corp.
Cytec Industries, Inc.	Kronos Worldwide, Inc.	Solutia Inc.	
Eastman Chemical Co.	The Lubrizol Co.	Southern Copper Corp.	

The HRCC believes this peer group better reflects both chemical companies and companies against which Tronox Incorporated competes for talent.

In carrying out its assignments, Lyons, Benenson & Company Inc. may also interact with management when necessary and appropriate. Lyons, Benenson & Company Inc. may, in its discretion, seek input and feedback from management regarding its consulting work product prior to presentation to the HRCC in order to confirm alignment with our business strategy, and identify data questions or other similar issues, if any. During fiscal year 2011, Lyons, Benenson & Company Inc. did not perform any other services for us.

Elements of Executive Compensation

Base Salary

We consider base salary an element of total compensation that is tied to job responsibility and individual contributions to our success. Base salary is intended to be set at a level needed to attract and retain quality executive officers. While the HRCC uses benchmark statistics to guide it in its recommendations regarding levels of base salary, it has considerable discretion when making its recommendations and considers our financial performance and the individual performance of our named executive officers when making recommendations regarding base salary.

Our named executive officers will be paid the following salaries for 2012:

Name	Annual Base Salary
Thomas Casey	$ 1,000,000
Daniel D. Greenwell	$ 440,000
John D. Romano	$ 360,000
Michael J. Foster	$ 330,000
Robert C. Gibney	$ 300,000
Edward G. Ritter	$ 192,732

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Effective October 5, 2011, Tronox Incorporated hired Thomas Casey as its Chief Executive Officer, in addition to his continuing service as Chairman of the board of directors. In connection with Mr. Casey s employment as Chief Executive Officer, Tronox Incorporated and Mr. Casey entered into an offer letter and binding term sheet regarding the terms of his employment (the Casey Offer Letter). Pursuant to the Casey Offer Letter, Tronox Incorporated and Mr. Casey have agreed to enter into an employment agreement that will embody the terms set forth in the Casey Offer, as well as other customary terms (the Casey Employment Agreement). Please see the Section captioned Employment Agreements for a more detailed description of the terms of the Casey Offer Letter.

Bonus Plans

For 2011, Tronox Incorporated s executive officers were eligible to receive cash bonuses under the 2011 Cash Incentive Plan, which was recommended by the HRCC and approved by the bankruptcy court and subsequently by the board of directors.

The size of the potential bonus payable to each executive officer is set as a percentage of each executive officer s base salary (the Target Percentage) and ranged from 50% to 200% of an executive officer s base salary. The board of directors considers the recommendations of the HRCC and benchmark statistics when setting the Target Percentage for each executive officer each year.

Each year our board of directors sets the performance goals under the Annual Incentive Plan and the portion of the bonus attributable to the achievement of each performance goal. The board of directors sets performance goals tied to financial measures that it believes will benefit our stockholders the most if those performance goals are met. The Tronox Incorporated board of directors set the following goals under the 2011 Cash Incentive Plan, which will be paid in 2012:

2011 Participant	2011 Target Bonus (% of Base Salary)	Base Salary
Thomas J. Casey	150%	$ 1,000,000
Dennis L. Wanlass	100%	$ 775,000
John D. Romano	65%	$ 360,000
Michael J. Foster	50%	$ 330,000
Robert C. Gibney	50%	$ 300,000
Edward G. Ritter	30%	$ 192,732

2011 Performance Targets	Threshold $276,000,000 EBITDAR	Target $345,000,000 EBITDAR	Maximum $414,000,000 EBITDAR
Percentage of 2011 Target Bonus Payable for Achievement of EBITDAR for the 2011 Fiscal year.	50%	100%	200%

As of the date of filing, the 2011 bonus payments had not been made, confirmation of final results are subject to the completion of the Company s 2011 audit.

Sign-on Incentives

In connection with Thomas Casey s execution of the Casey Offer Letter, Mr. Casey was paid a cash sign-on bonus of $2.0 million in recognition of certain payments due from his previous employer for relocation guarantees, closing costs and the pro rata portion of his 2011 annual performance bonus, all of which were foregone by his acceptance of employment with Tronox Incorporated. This bonus is subject to a ratable clawback in the event of his resignation without good reason or his employment is terminated by the company for cause prior to the first anniversary of his employment (good reason and cause to be defined in the Casey Employment Agreement).

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In addition, Mr. Casey was granted an initial sign-on grant of 50,000 RSUs in order to compensate him for value that he forfeited when he terminated his employment with his previous employer. Pursuant to the Casey Offer Letter, the sign-on grant will be subject to 3-year cliff vesting. In the event, however, of Mr. Casey s death or permanent disability resulting in termination of his employment, the sign-on grant will be subject to pro rata accelerated vesting based on the number of months Mr. Casey was employed prior to his termination of employment divided by 36 months, subject to a minimum vesting of 25 percent of the grant.

Separation Agreement

Effective October 3, 2011, Mr. Wanlass resigned from his position as an executive officer of Tronox Incorporated. However, Mr. Wanlass has agreed to continue to perform services for Tronox Incorporated as an employee, for which he will be paid an annualized base salary of $775,000. Mr. Wanlass s resignation was treated as a termination by the Company without cause and, in accordance with the terms of his employment agreement, was paid a lump sum amount equal to $3,100,000 following his resignation. In addition, Mr. Wanlass received accelerated vesting of 31,952 shares of restricted stock and, subject to the consummation of the Transaction, an additional 31,750 shares of restricted stock will vest. Moreover, upon Mr. Wanlass s termination of service as an employee, he will receive a lump sum cash payment equal to $1,550,000 and he will be entitled to continued payment for coverage for a period of eighteen months or until he reaches the age of 65, whichever is longer, under the Company s health and welfare plans.

Long Term Incentive

Tronox Incorporated s Long-Term Incentive Plan, under which grants of equity were made to employees prior to 2009, was terminated upon our emergence from bankruptcy and all outstanding awards were cancelled. The 2010 Management Equity Incentive Plan (the 2010 Equity Plan) became effective upon Tronox Incorporated s emergence from Chapter 11 bankruptcy proceedings and provides for grants of nonqualified stock options, incentive stock options, stock appreciation rights, performance units, performance shares and other performance awards, restricted stock units and restricted stock, and other awards valued in whole or in part by reference to, or otherwise based on, the stock of the Tronox Incorporated. Directors, officers and other employees of Tronox Incorporated and its subsidiaries or affiliates, as well as others performing services for Tronox Incorporated and its subsidiaries or affiliates, will be eligible for grants under the 2010 Equity Plan. The purpose of the 2010 Equity Plan is to provide incentives that will attract, retain and motivate highly competent officers, directors, employees, independent contractors and consultants by providing them with appropriate incentives and rewards either through a proprietary interest in Tronox Incorporated s long-term success or compensation based on their performance in fulfilling their personal responsibilities. The following is a summary of the material terms of the 2010 Equity Plan, but does not include all of the provisions of the 2010 Equity Plan. Capitalized terms used but not defined within this section have the meanings set forth in the 2010 Equity Plan.

Administration

The 2010 Equity Plan is administered by the HRCC. Among the HRCC s powers are to determine the form, amount and other terms and conditions of awards, clarify, construe or resolve any ambiguity in any provision of the 2010 Equity Plan or any award agreement, amend the terms of outstanding awards and adopt such rules, forms, instruments and guidelines for administering the 2010 Equity Plan as it deems necessary or appropriate. All actions, interpretations and determinations by the HRCC or by the board of directors are final and binding.

Available Shares

The aggregate number of shares of common stock which may be issued under the 2010 Equity Plan or with respect to which awards may be granted may not exceed 1,200,000 shares, which may be either authorized and unissued shares of Tronox Incorporated s common stock or shares of common stock held in or acquired for Tronox Incorporated s treasury. In general, if awards under the 2010 Equity Plan are, for any reason, cancelled or expire or terminate unexercised, the shares covered by such awards will again be available for the grant of awards under the 2010 Equity Plan. The aggregate number of shares subject to restricted stock, restricted stock units and certain other stock-based awards granted under the 2010 Equity Plan at any time may not exceed 360,000 shares and the aggregate fair market value of shares underlying incentive stock options granted to a single participant during any calendar year under the 2010 Equity Plan may not exceed $100,000.

Eligibility for Participation

Members of the board of directors, as well as employees and independent contractors of, and advisors to, Tronox Incorporated or any of its subsidiaries and affiliates are eligible to receive awards under the 2010 Equity Plan. The selection of participants is within the sole discretion of the HRCC.

Award Agreement

Awards granted under the 2010 Equity Plan will be evidenced by award agreements providing additional terms, conditions, restrictions and/or limitations covering the grant of the award, as determined by the HRCC in its sole discretion.

The following types of awards are available under the 2010 Equity Plan:

Stock Options

The HRCC may grant nonqualified stock options and incentive stock options (only to eligible employees) to purchase shares of common stock. The HRCC will determine the number of shares of common stock subject to each option, the term of each option (which may not exceed ten years (or five years in the case of an incentive stock option granted to a 10% stockholder)), the exercise price, the vesting schedule (if any), and the other material terms of each option. No incentive stock option granted to a 10% stockholder may have an exercise price less than 110% of the fair market value of a share of common stock at the time of grant. Options will be exercisable at such time or times and subject to such terms and conditions as determined by the committee at grant and the exercisability of such options may be accelerated by the HRCC in its sole discretion.

Stock Appreciation Rights

The HRCC may grant stock appreciation rights (which are referred to herein as SARs) either with a stock option, which may be exercised only at such times and to the extent the related option is exercisable (a Related SAR), or independent of a stock option. A SAR is a right to receive a payment in shares of common stock or cash equal in value to the excess of the fair market value of one share of common stock on the date of exercise over the base price per share established in connection with the grant of the SAR. The term of each SAR may not exceed ten years, provided that the expiration date of a Related SAR shall not be later than the expiration date of the related option. The base price per share covered by a SAR will be the exercise price per share of the related option in the case of a Related SAR.

Restricted Stock and Restricted Stock Units

The HRCC may award shares of restricted stock and restricted stock units. Except as otherwise provided by the HRCC, upon the award of restricted stock, the recipient generally has the rights of a stockholder with respect to the shares, including the right to receive dividends, the right to vote the shares of restricted stock and, conditioned upon full vesting of shares of restricted stock, the right to sell or transfer such shares. The HRCC may determine at the time of award that the payment of dividends or other distributions, if any, will be subject to the same vesting requirements as the underlying award and deferred until the expiration of the applicable restriction period. The terms applicable to an award of restricted stock or restricted stock units will be determined by the HRCC in its sole discretion, including, without limitation, the number of shares or units to be granted, the price, if any, to be paid for such shares or units, the period of restriction applicable to such award and, with respect to restricted stock units, whether such restricted stock units will be settled in shares, cash or a combination thereof.

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Other Stock-Based Awards

The HRCC may, in its discretion, grant other stock-based awards that are payable in, valued in whole or in part by reference to, or otherwise based upon or related to Tronox Incorporated s common stock, including shares awarded purely as a bonus and not subject to any restrictions, shares in payment of the amounts due under an incentive or performance plan sponsored or maintained by Tronox Incorporated or its subsidiaries, performance units, dividend equivalent units, stock equivalent units and deferred stock units. The terms applicable to any such stock-based award, including the vesting schedule and the exercise price for such an award, if any, will be determined by the committee in its sole discretion.

Performance Awards

The HRCC may grant a performance award to a participant payable upon the attainment of specific performance goals. If the performance award is payable in cash, it may be paid upon the attainment of the relevant performance goals either in cash or in shares of restricted stock, as determined by the HRCC, in its sole discretion. The HRCC will establish the value or range of value of any performance award, the form in which it will be paid and the date(s) or timing of any payments made pursuant to such an award.

These awards may be granted, vest and be paid based on attainment of specified performance goals established by the HRCC. These performance goals will be based on one or more of the following criteria selected by the HRCC: (i) revenue, (ii) earnings per share, (iii) net income per share, (iv) share price, (v) pre-tax profits, (vi) net earnings, (vii) net income, (viii) operating income, (ix) cash flow, (x) EBITDA, (xi) earnings before interest and taxes, (xii) sales, (xiii) total stockholder return relative to assets, (xiv) total stockholder return relative to peers, (xv) financial returns, (xvi) cost reduction targets, (xvii) customer satisfaction, (xviii) customer growth, (xix) employee satisfaction, (xx) gross margin, (xxi) revenue growth, (xxii) market share, (xxiii) book value per share, (xxiv) expenses and expense ratio management, (xxv) system-wide sales or system-wide sales growth, (xxvi) traffic or customer counts, (xxvii) new product sales, or (xxviii) any combination thereof and such other criteria as the HRCC may determine. Performance objectives may be in respect of: (a) the performance of Tronox Incorporated or Tronox Limited, (b) the performance of any of its subsidiaries or affiliates, or (c) the performance of any of its divisions or business units. The HRCC may also include or exclude items from the foregoing criteria as it deems necessary, including, but not limited to, extraordinary, unusual or non-recurring items, expenses for restructuring, and acquisition expenses and may adjust previously established performance goals to reflect major unforeseen events.

Termination of Service

Unless otherwise determined by the HRCC or as set forth in an applicable award agreement, upon the termination of a participant s service with Tronox Incorporated and its affiliates, all vested and exercisable options and SARs held by the participant at the time of such termination may be exercised by the participant or such participant s estate, as applicable, as follows, but in no event beyond the expiration of the stated term of such options or SARs: (i) within the one-year period following a termination of the participant s service by reason of death or Disability, and (ii) within the 90-day period following a termination of the participant s service by Tronox Incorporated without Cause or by the participant for any reason. If a participant s service is terminated by Tronox Incorporated for Cause, all options or SARs held by such participant, whether vested or unvested, will terminate and expire as of the date of such termination. All unvested options and SARs held by a participant will terminate as of the date of the termination of such participant s service with Tronox Incorporated for any reason. Unless otherwise determined by the HRCC or as set forth in an applicable award agreement, upon the termination of a participant s service with Tronox Incorporated and its affiliates for any reason, all shares of restricted stock and restricted stock units that are still subject to restrictions, as well as all unvested performance awards and other stock-based awards, shall be forfeited.

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Change in Control

In connection with a Change in Control, the HRCC may provide for the vesting of all awards. In addition, the board of directors can unilaterally implement and/or negotiate a procedure with any party to the Change in Control such that all unexercised options may be cashed out for an amount equal to the excess of the price of a share of common stock paid in the Change in Control over the exercise price of the award(s).

Stockholder Rights

Except as otherwise provided with respect to awards of restricted stock and restricted stock units, a participant has no rights as a stockholder with respect to shares of common stock covered by any award until the participant becomes the record holder of such shares.

Amendment and Termination

The board of directors may at any time amend, suspend or terminate any or all of the provisions of the 2010 Equity Plan, subject to any requirement of stockholder approval required by applicable law; provided, however, that the board of directors may make any amendment necessary to avoid the imposition of any taxes under Section 409A of the Internal Revenue Code of 1986, as amended, without stockholder approval. Subject to the foregoing, the amendment, suspension or termination of the 2010 Equity Plan may not, without the consent of a participant, materially adversely alter or impair any rights or obligations under any award granted to such participant.

Transferability

Awards granted under the 2010 Equity Plan are generally nontransferable (other than by will or the laws of descent and distribution), except that a participant may transfer, without consideration, awards other than incentive stock options to certain family members, to a trust for the exclusive benefit of such family members, or to a partnership or limited liability company, the partners or members of which are exclusively such family members.

Awards under the 2010 Equity Plan

We believe that the use of stock based compensation to establish a direct relationship between the compensation of executive officers and the value of our stock helps ensure continued alignment between the interests of the executive officers, our interests and the interests of our stockholders. In this regard, the employment agreements for our named executive officers, other than Mr. Ritter, (as described below), provide for a restricted stock award of 84,933, 42,467, 35,081, and 22,157 shares to each of Messrs. Wanlass, Romano, Foster, and Gibney, respectively, (the Emergence Awards) which were granted on February 14, 2011. The Emergence Awards are subject to the terms and provisions of the 2010 Equity Plan. Similarly, the HRCC granted Mr. Ritter 6,500 shares of restricted stock which are also subject to the terms of the 2010 Plan.

Mr. Casey was also granted a sign-on equity grant of 50,000 shares of restricted stock which will cliff vest on the third anniversary of the date of grant.

In addition, the Casey Offer Letter provides for Mr. Casey to receive an annual RSU or restricted stock grant with a value at grant equal to $3.0 million, and the first such grant was based on the volume-weighted average stock price over the 30-day period preceding the date of announcement of the Transaction and vesting as follows: (i) 30 percent of such grant will vest in equal installments on each of the first three anniversaries of the date of grant and (ii) 70 percent of such grant will vest based upon total shareholder return for each of the three fiscal years following the date of grant. The Casey Offer Letter also provides that subsequent RSU or restricted stock grants will be based on the volume-weighted average price over the 30-day period preceding the date of grant.

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Retirement and Other Benefits

All of our U.S. employees, including our named executive officers, are eligible to participate in our retirement plans and our savings plans. These plans are intended to provide our employees, including our named executive officers with the opportunity to save for retirement.

We sponsor a tax-qualified retirement savings plan (the Savings Plan) pursuant to which all of our U.S.-based employees, including our named executive officers, are able to contribute the lesser of up to 15% of their annual salary or the limit prescribed by the Internal Revenue Service to the Savings Plan on a before-tax basis. Through June 30, 2008, Tronox Incorporated matched 75% of the first 6% of pay that each employee contributes to our Savings Plan. Beginning July 1, 2008, Tronox Incorporated suspended the matching payments. On April 1, 2010 Tronox Incorporated reinstated the company s matching contribution for all U.S. participating employees. On April 1, 2011 the HRCC approved the addition of a discretionary profit sharing company contribution to the Savings Plan of up to 6% of employee s contributions, depending on the financial performance during the previous year. For 2011, the HRCC approved a company contribution of 6% to all eligible employees in the United States. All contributions to the Savings Plan, as well as any matching contributions, are fully vested upon contribution. In addition to the Savings Plan, executive officers and certain other eligible executives can participate in a nonqualified retirement savings plan (the Savings Restoration Plan and together with the Savings Plan, the Retirement Plans). Pursuant to the Savings Restoration Plan, we will contribute at the appropriate level to the Savings Restoration Plan on a before-tax basis any amounts that would be provided under the Savings Plan but for limitations imposed by the Internal Revenue Code on qualified retirement plans. Beginning July 1, 2008, Tronox Incorporated suspended providing benefits under the Savings Restoration Plan. This was reinstated in April 2010. Tronox Incorporated also sponsor a qualified defined benefit retirement plan (the Qualified Plan), which was frozen in April of 2009, following its filing for Chapter 11 bankruptcy protection. As part of Tronox Incorporated s Plan of Reorganization, the Qualified Plan will remain frozen going forward and we will rely on the Savings Plan as our sole employee retirement plan.

We have determined that any risks arising from its compensation programs and policies are not reasonably likely to have a material adverse effect. Our compensation programs and policies mitigate risk by combining performance-based, long-term compensation elements with payouts that are highly correlated to the value delivered to stockholders. The combination of performance measures for annual bonuses and the equity compensation programs, share ownership and retention guidelines for executive officers, as well as the multiyear vesting schedules for equity awards encourage employees to maintain both a short and a long-term view with respect to Company performance.

Deductibility of Executive Compensation

As part of their roles, the HRCC and the board of directors review and consider the deductibility of executive officer compensation under Section 162(m) of the Internal Revenue Code, which provides that, following the applicable transition period, we may not deduct compensation of more than $1,000,000 that is paid to certain individuals unless such compensation qualifies for the performance-based exemption provided for under Section 162(m). The board of directors has determined that it will generally seek to capture the tax deduction for all compensation but may award nondeductible compensation when it believes that doing so would be in the best interests of our company and shareholders.

Post Termination and Change in Control

We will be obligated to make certain payments to our executive officers or accelerate the vesting of their equity awards upon a termination of their employment, including termination of their employment in connection with a change in control under the terms of our Retirement Plans, certain awards granted under the 2010 Equity Plan and employment agreements between us and our named executive officers.

We offer the benefits provided by the employment agreements, the Retirement Plans and awards granted under the 2010 Equity Plan upon a change of control in order to be competitive with other employers who

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provide similar or enhanced benefits and to diminish the potential distraction due to personal uncertainties and risks that are inevitable in a change in control situation or threat. We believe that maintaining such benefits will help keep the management team focused on our performance and the benefit to the stockholders in the event of a change in control.

Effect on Awards Outstanding Under Tronox Incorporated Stock Plans

In accordance with the terms of the restricted common stock grant agreements, all outstanding shares of restricted Tronox Incorporated common stock granted under the Tronox Incorporated Stock Plan prior to the execution of the Transaction Agreement that are outstanding immediately prior to the Mergers will become vested and will be exchanged for merger consideration.

Report of the Human Resources and Compensation Committee (HRCC)

The HRCC of Tronox Incorporated and Tronox Limited each have reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the HRCC recommended to the board that the Compensation Discussion and Analysis be included in this proxy statement/prospectus.

HRCC Interlocks and Insider Participation

No member of the HRCC is or has been one of our officers or employees or has had any relationship with us requiring disclosure under the SEC s rules and regulations.

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SUMMARY COMPENSATION TABLE FOR YEAR-ENDED DECEMBER 31, 2011

The following table sets forth the total compensation for the year ending December 31, 2011 paid to or earned by the named executive officers during 2011.

Name & Principal Position	Year	Salary ($)	Bonus ($)(1)	Stock Awards ($)(2)	Option Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)(3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings($)(4)	All Other Compensation ($)(5)	Total ($)
Thomas J. Casey	2011	223,077	2,000,000	7,176,502				141,236	9,540,815
Chief Executive Officer	2010	n/a	n/a						
	2009	n/a	n/a						
Dennis L. Wanlass	2011	772,404		10,404,293				4,587,688	15,764,385
Former Chief Executive Officer	2010	640,000				1,546,745		1,261,834	3,448,579
	2009	640,000						221,907	861,907
John D. Romano	2011	358,192		5,202,208			67,743	1,203,211	6,831,354
Executive Vice President	2010	266,000				467,017	(92,001)	594,599	1,235,615
	2009	266,000					225,093	40,549	531,642
Michael J. Foster	2011	328,942		4,297,423			18,443	765,411	5,410,219
VP, General Counsel & Secretary	2010	275,000				329,307	10,583	594,790	1,209,680
	2009	275,000					38,314	34,121	347,435
Robert C. Gibney	2011	298,927		2,714,233	1,486,800		60,074	919,692	5,479,726
VP, Administration & Global	2010	244,200				299,370	(64,079)	431,289	910,780
Procurement	2009	244,200					189,829	18,027	452,056
Edward G. Ritter	2011	191,222		860,375	660,800		23,614	137,525	1,873,536
Controller and Chief Accounting	2010	184,936				12,500	15,038	104,172	316,646
Officer	2009	180,765					51,574	12,638	244,977

(1) Mr. Casey s bonus is a sign-on bonus per his Employment Agreement.
(2) Restricted stock and stock option values are the fair value of the shares at the grant date.
(3) Please see the section captioned Bonus Plans for a detailed description of our non-equity incentive plan compensation.
(4) The amounts in this column do not reflect amounts actually paid to our executive officers for the years reported but rather reflect only the aggregate change in the actuarial present value of each executive officer s accumulated benefit under the Qualified Plan for the years reported. We did not sponsor any deferred compensation plans or programs. As a result, none of our executive officers had any nonqualified deferred compensation earnings in the years reported.
(5) The following table shows the components of All Other Compensation in the Summary Compensation Table.

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ALL OTHER COMPENSATION TABLE

Name	Year	Savings Plan, Discretionary Contribution & Restoration Match ($)(1)(2)(3)	Group Term Life Insurance Premiums ($)	Vacation Payouts ($)	KEIP Bonus Plan($)(4)	Separation Agreement ($)(5)	Other ($)(6)
Thomas J. Casey	2011	140,215	1,021				
	2010						
	2009						
Dennis L. Wanlass	2011	248,007	4,681			3,100,000	
	2010	22,153	4,681				
	2009		9,346	93,538	2,470,000		119,023
John D. Romano	2011	104,907	391				512,913
	2010	9,208	391				
	2009		778	39,771	1,170,000		
Michael J. Foster	2011	93,791	271				86,349
	2010	9,519	271				
	2009		540	33,581	1,170,000		
Robert C. Gibney	2011	78,000	351				418,841
	2010	8,453	336				
	2009		6	18,021	845,000		
Edward G. Ritter	2011	29,021	378				3,126
	2010	6,436	236				
	2009		471	12,167	202,500		

(1) Tronox Incorporated suspended the 401(k) savings match program on July 1, 2008 and reinstated the match program on April 1, 2010

(2) Tronox Incorporated suspended the Savings Restoration Plan match on July 1, 2008 and reinstated the match program on April 1, 2010

(3) Tronox Incorporated initiated a new discretionary contribution to the Savings Investment Plan and this was retroactive to January 1, 2011 Further updates to the Savings Investment Plan were made to include bonus payments in the 401(k) eligible earnings calculations for the new discretionary contribution.

(4) Discretionary bonuses were made to key executives per the approved Key Employee Incentive Program (KEIP)

(5) Represents amount paid to Mr. Wanlass under his separation agreement, in connection with his resignation, which was treated as a termination without cause under his employment agreement. See the section captioned Separation Agreement for a more detailed description of Mr. Wanlass s separation agreement.

(6) Other amounts paid consist of Chapter 11 bankruptcy claims paid in either stock or cash payments and also personal air travel. Robert Gibney s other amount includes $1,130 of personal air travel fringe benefits.

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GRANTS OF PLAN-BASED AWARDS DURING 2011

	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards							
Name	**Threshold ($)**	**Target ($)**	**Maximum ($)**	**Threshold (#)**	**Target (#)(3)**	**Max. (#)**	**Grant Date**	**Number of Shares or Stock (#)**	**All other Option Awards: Number of Securities Underlying Options(#)**	**Exercise or Base Price of Awards ($/SH)**	**Grant Date Fair Value of Restricted Stock and Option Awards(1)**
Thomas J. Casey(2)	n/a	337,500	1,012,500				10/5/2011	50,000	n/a	$ 83.53	$ 4,176,500
					18,851						
					8,079		10/5/2011	26,930	n/a	$ 111.40	$ 3,000,002
Dennis L. Wanlass	775,000	775,000	1,395,000				2/14/2011	84,933	n/a	$ 122.50	$ 10,404,293
John D. Romano	117,000	234,000	421,200				2/14/2011	42,467	n/a	$ 122.50	$ 5,202,208
Michael J. Foster	82,500	165,000	297,000				2/14/2011	35,081	n/a	$ 122.50	$ 4,297,423
Robert C. Gibney	75,000	150,000	270,000				2/14/2011	22,157		$ 122.50	$ 2,714,233
							12/13/2011		22,500		$ 1,486,800
Edward G. Ritter	28,910	57,820	92,511				2/14/2011	2,000		$ 122.50	$ 245,000
							8/5/2011	4,500		$ 136.75	$ 615,375
							12/13/2011		10,000		$ 660,800

(1) Thomas Casey s employment agreement provides for a maximum award of three times his target bonus (150%). The amounts are prorated on three months of service in 2011.

(2) The Fair Market value of Stock Options was calculated using a Black-Scholes Value of $66.08 as of the grant date of December 13, 2011.

(3) Thomas Casey s equity incentive plan award totals 26,930 shares of restricted stock or RSU s. However, only 18,851 shares or 70% of the grant is subject to performance for vesting purposes.

OUTSTANDING EQUITY AWARDS AT DECEMBER 31, 2011

The following table shows the number of shares covered by exercisable and unexercisable options and unvested stock awards owned by our named executive officers on December 31, 2011.

	Option Awards				Stock awards	
Name	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Option Exercise Price($)**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested(#)(1)**	**Market Value of Shares or Units of Stock that Have Not Vested($)(2)**
Thomas J. Casey					50,000	6,000,000
					26,930	3,231,600
Dennis L. Wanlass					31,750	3,810,000
John D. Romano					28,312	3,397,440
Michael J. Foster					23,389	2,806,680
Robert C. Gibney		22,500(3)		12/13/2021		

			14,773	1,772,760
Edward G. Ritter	10,000(3)	12/13/2021		
			1,336	160,320
			4,500	540,000

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(1) See detailed vesting information on Thomas Casey in the section Awards under the 2010 Equity Plan . Mr. Wanlass s restricted stock will vest per his separation agreement. Mr. Romano, Mr. Foster, Mr. Gibney and Mr. Ritter s restricted stock will vest at each quarter end following the date of grant for 12 quarters over a three year time period or vesting will accelerate upon consummation of the Transaction.
(2) Based on a stock price of $120, the closing price of our stock on December 30, 2011.
(3) Options granted December 13, 2011 with even graded vesting over three years on each year of the anniversary date.

OPTION EXERCISES AND STOCK VESTED DURING 2011

The table below provides information regarding the vesting during 2011 of restricted stock awards held by our named executive officers. None of our named executive officers exercised stock options during 2011.

	Option Awards		Stock Awards	
Name	**Number of Shares Acquired on Exercise (#)**	**Value Realized on Exercise ($)**	**Number of Shares Acquired on Vesting (#)(3)**	**Value Realized on Vesting ($)(1)**
Thomas J. Casey	n/a	n/a	n/a	n/a
Dennis L. Wanlass	n/a	n/a	53,183	6,244,213
John D. Romano	n/a	n/a	21,846	1,708,361
Michael J. Foster	n/a	n/a	19,092	1,412,413
Robert C. Gibney	n/a	n/a	11,749	891,618
Edward G. Ritter	n/a	n/a	1,939	81,268

(1) Values realized on vesting are determined by multiplying the number of shares that vested by the fair market value on the applicable date, which is based upon the closing price of our Class A common stock on the Pink Sheets on the vesting date.
(2) The number of shares acquired on vesting includes prior Tronox stock before current stock ticker Trox.pk and vesting occurred on January 11, 2011.

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PENSION BENEFITS FOR THE YEAR-ENDED DECEMBER 31, 2011

We maintain the Qualified Plan and related trust for all employees which was frozen in April of 2009.

As part of Tronox Incorporated s separation from Kerr-McGee, it established the Retirement Plans and the trusts related to our Retirement Plans and accepted the transfer of assets and liabilities from the corresponding trusts for the Kerr-McGee retirement plans. All employees received credit for their service as Kerr-McGee employees prior to the establishment of our Retirement Plans.

All amounts set forth in the table below reflect normal retirement benefits that would be paid to each executive officer assuming the executive officer retired at the earliest retirement age that they could receive unreduced benefits (generally age 60).

Name(a)	Plan Name(b)	Number of Years Credited Service (c)(#)	Present Value of Accumulated Benefit(d)($)(1)	Payments During Last Fiscal Year (e)($)
Thomas J. Casey(2)	Tronox Incorporated Retirement Plan	0.000		
Dennis L. Wanlass(2)	Tronox Incorporated Retirement Plan	0.000		
John D. Romano	Tronox Incorporated Retirement Plan	20.167	417,408	
Michael J. Foster	Tronox Incorporated Retirement Plan	6.00	107,702	
Robert C. Gibney	Tronox Incorporated Retirement Plan	17.667	388,590	
Edward G. Ritter	Tronox Incorporated Retirement Plan	6.75	159,727	

(1) The present value of accumulated benefits for the Tronox Incorporated Retirement Plan as of December 31, 2011 was determined using the FAS 87 assumptions in effect on December 31, 2011. The FAS 87 discount rate was 4.50%.

(2) Thomas J. Casey and Dennis L. Wanlass are not participants in the Tronox Incorporated Retirement Plan

The lump sum assumption for the Tronox Retirement Plan is based on IRS 417 (e) interest rates and mortality using a one-year stability period with a two-month look-back period.

The amounts shown in column (d) are determined according to prescribed SEC assumptions and may not reflect the benefits actually payable from the Plans if the named executive had retired during the last fiscal year. The above present values assume that the executive commences his or her accrued benefits at his or her earliest unreduced age under the plan provisions in effect at December 31, 2011.

Retirement benefits are calculated based upon years of service and final average monthly compensation. For benefits earned prior to January 1, 2009, an employee s final average monthly compensation is the highest average compensation for any period of 36 consecutive calendar months out of the final 120 consecutive calendar months prior to that employee s termination. For benefits earned beginning January 1, 2009, final average monthly compensation is the highest average compensation for any period of 60 consecutive calendar months out of the final 120 consecutive calendar months prior to that employee s termination.

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Employment Agreements

On January 1, 2011, Tronox Incorporated entered into employment agreements with all of its named executive officers (the Employment Agreements). The Employment Agreements replaced their previous employment agreements. The Employment Agreements provide for the continued employment of Mr. Wanlass as the Chief Executive Officer, Mr. Romano as Executive Vice President, Mr. Foster as Vice President and General Counsel and Mr. Gibney as Vice President, Administration and Materials Procurement, in each case, for a term beginning on the Effective Date and continuing until December 31, 2015 (the Employment Term). Employment may be terminated during the Employment Term by an executive with or without Good Reason or by Tronox Incorporated upon an executive s death, Disability, or termination with or without Cause. Capitalized terms used but not defined within this section have the meanings set forth in the Employment Agreements.

The Employment Agreements provide for an annual base salary of $775,000, $360,000, $330,000, and $300,000 for each of Messrs. Wanlass, Romano, Foster and Gibney, respectively. The Employment Agreements also provide that, for the 2010 fiscal year, the executives will be eligible for a cash performance bonus under Tronox Incorporated s 2010 Cash Incentive Plan, subject to achievement of the specified performance targets, and that thereafter the executives will be paid an annual cash performance bonus (an Annual Bonus) in respect of each fiscal year that ends during the Employment Term, to the extent earned based on performance against objective performance criteria. The annual bonus opportunity will be 100%, 65%, 50%, and 50% of base salary for each of Messrs. Wanlass, Romano, Foster and Gibney, respectively, for the 2011 fiscal year, and will be set by Tronox Incorporated s HRCC for each fiscal year thereafter. The Employment Agreements also entitle the executives, during the Employment Term, to paid vacation in accordance with the applicable policies of Tronox Incorporated, and to participate in such medical, dental and life insurance, retirement and other plans as Tronox Incorporated may have or establish from time to time on terms and conditions applicable to other senior executives of Tronox Incorporated generally.

The Employment Agreements also provide for the grant of an Emergence Award to each of Messrs. Wanlass, Romano, Foster and Gibney, respectively, as described above. In addition, commencing in 2011 and each year thereafter during the Employment Term, the executives will be eligible to receive annually a grant of an equity-based award under the 2010 Equity Plan as determined by Tronox Incorporated s Compensation Committee.

If an executive s employment is terminated by reason of death or Disability, Tronox Incorporated will pay the executive (i) all accrued benefits under his Employment Agreement and (ii) a lump sum payment of an amount equal to a pro rata portion (based upon the number of days the executive was employed during the calendar year in which the date of termination occurs) of the Annual Bonus that would have been paid to the executive if he had remained employed based on actual performance. If an executive s employment is terminated by Tronox Incorporated for Cause, by the executive without Good Reason, or as a result of the expiration of the Employment Term, Tronox Incorporated will pay the executive all accrued benefits. If an executive s employment is terminated by Tronox Incorporated without Cause or by the executive with Good Reason, Tronox Incorporated will pay the executive: (i) all accrued benefits; (ii) a lump sum payment of an amount equal to a pro rata portion of the Annual Bonus that would have been paid to the executive if he had remained employed based on actual performance; (iii) a lump sum payment of an amount equal to the product of (x) 2.0, for Mr. Wanlass or 1.0 for each of Messrs. Romano, Foster and Gibney, respectively, and (y) the sum of the executive s base salary and target bonus. In addition, the executive and his covered dependents will be entitled to continued participation on the same terms and conditions as applicable immediately prior to the executive s date of termination for the 18 month period for Mr. Wanlass and the one year period for each of Messrs. Romano, Foster and Gibney, respectively, following the date of termination in such medical, dental, and hospitalization insurance coverage in which the executive and his eligible dependents were participating immediately prior to the date of termination. All amounts payable under the Employment Agreements beyond the accrued benefits are subject to the executive s execution of a release of claims in favor of Tronox Incorporated.

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If an executive is terminated by Tronox Incorporated, other than for Cause or due to death or Disability, or the executive resigns for Good Reason, during the 12 month period after a Change in Control, then the executive will receive the benefits otherwise payable in connection with a termination by Tronox Incorporated without Cause or by the executive with Good Reason, except that (I) the lump sum payment described in subpart (iii) above will be equal to the product of (x) 3.0, in the case of Mr. Wanlass, or 2.0, in the case of Messrs. Romano, Foster and Gibney, respectively, and (y) the sum of the executive s base salary and target bonus and (II) each executive will be entitled to 18 months of continued participation in Tronox Incorporated s benefit plans.

In addition, the Employment Agreements provide for (i) general restrictions on the disclosure of confidential information, (ii) an inventions assignment covenant, (iii) an agreement that during the executive s employment with Tronox Incorporated and for a period of 12 months thereafter the executive will not compete with Tronox Incorporated or solicit Tronox Incorporated s employees, and (iv) a mutual agreement between the executive and Tronox Incorporated that during the executive s employment with Tronox Incorporated and for a period of two years thereafter the executive will not disparage Tronox Incorporated or its directors and executive officers, and Tronox Incorporated, as well as its employees, executive officers and members of the board of directors will not disparage the executive.

Mr. Ritter does not have an employment agreement.

Effective October 5, 2011, Tronox Incorporated hired Thomas Casey as its Chief Executive Officer, in addition to his continuing service as the company s Chairman of the board of directors. In connection with Mr. Casey s commencement of employment as Chief Executive Officer, Tronox Incorporated and Mr. Casey entered into the Casey Offer Letter. Pursuant to the Casey Offer Letter, Tronox Incorporated and Mr. Casey have agreed to formalize the terms of Mr. Casey s employment and intend to enter into the Casey Employment Agreement, the specific terms of which are still being negotiated. The Casey Offer Letter provides for Mr. Casey to serve as the company s Chief Executive Officer and Chairman of the board of directors and contemplates an initial three year term of employment. In addition, the Casey Offer Letter provides for an annual base salary of $1,000,000, the entitlement to customary employee benefits, and an annual target bonus opportunity of 150 percent of base salary with a maximum annual bonus opportunity equal to three times target bonus. The Casey Offer Letter also provides Mr. Casey with a pro rata bonus for fiscal year 2011. In connection with Mr. Casey s execution of the Casey Offer Letter, Mr. Casey was paid a cash sign-on bonus of $2.0 million. This bonus is subject to a ratable clawback in the event of his resignation without good reason or his employment is terminated by the company for cause prior to the first anniversary of his employment (good reason and cause to be defined in the Casey Employment Agreement). Mr. Casey was also granted a sign-on equity grant of 50,000 RSU s or shares of restricted stock which will cliff vest on the third anniversary of the date of grant.

In addition, the Casey Offer Letter provides for Mr. Casey to receive an annual RSU or restricted stock grant with a value at grant equal to $3.0 million, and the first such grant was based on the volume-weighted average stock price over the 30-day period preceding the date of announcement of the Transaction and vesting as follows: (i) 30 percent of such grant will vest in equal installments on each of the first three anniversaries of the date of grant and (ii) 70 percent of such grant will vest based upon total shareholder return for each of the three fiscal years following the date of grant. The Casey Offer Letter also provides that subsequent RSU or restricted stock grants will be based on the volume-weighted average price over the 30-day period preceding the date of grant.

In the event Mr. Casey s employment is terminated by Tronox Incorporated without cause, he will receive: (i) his base salary through the date of termination plus a pro rata bonus for the year of termination; (ii) an amount equal to two times the sum of his base salary and annual target bonus, payable in installments; (iii) accelerated vesting of all equity awards subject to time-based vesting conditions; and (iv) accelerated vesting of all equity awards subject to performance-based vesting conditions if the performance vesting criteria have been met as of the date of termination, taking into consideration any abbreviation of the performance period resulting from the

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termination of employment. In addition, in the event Mr. Casey s employment is terminated without cause following a change of control transaction, other than the Transaction, Mr. Casey will be entitled to accelerated vesting of all outstanding equity grants. In the event Mr. Casey s employment is terminated due to his death or disability, his sign-on grant (50,000 RSU s or shares of restricted stock) will be subject to pro rata vesting based on the number of months he was employed by Tronox Incorporated divided by 36 months, subject to minimum vesting of 25 percent of such award. The Casey Offer Letter also provides that the Casey Employment Agreement will include substantially similar restrictive covenants and other defined terms included in the employment agreements applicable to senior executive officers of Tronox Incorporated (as described above).

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGES IN CONTROL

We will be obligated to make certain payments to our executive officers or accelerate the vesting of their equity awards pursuant to the following plans or agreements upon a termination of their employment, including termination of their employment in connection with a change in control:

(1) employment agreements;

(2) our Retirement Plans; and

(3) awards agreements issued under the 2010 Equity Plan.

Payments Made Upon Termination Without Cause or for Good Reason in Connection with a Change in Control

In the event that an executive officer is terminated within 12 months after a change in control (or in anticipation of a change in control under certain circumstances) other than for cause, death or disability or if the executive officer resigns for good reason, such executive officer will be entitled to lump sum cash severance benefits (and continuation of benefits coverage), which will consist of the following:

(1) either three (3) times or two (2) times the sum of (i) the executive officer s annual base salary, and (ii) the executive officer s target bonus in the year of his or her termination;

(2) any accrued but unpaid annual base salary through the date of termination;

(3) the unpaid portion of any bonuses previously earned by the executive officer plus the pro-rata portion of the target bonus for the executive officer in the year of termination;

(4) any accrued and unused sick and vacation pay; and

The executive officer shall also be entitled to the following:

(1) continued medical, dental, vision and life insurance coverage for the executive officer and his or her eligible dependents for a period ending on the earlier of 18 months following the date of termination or the commencement of comparable coverage by the executive officer with a subsequent employer; and

(2)

immediate 100% vesting of all outstanding stock options, stock appreciation rights, performance awards and restricted stock issued by us.

Payments Made Upon Termination Without Cause or Good Reason Not in Connection With a Change in Control

If an executive officer s employment is terminated without cause or good reason and the termination is not made subject to the provisions related to termination in connection with a change in control, the executive officer will be entitled to receive the following amounts in a lump sum cash payment:

(1) either two (2) times or one (1) times the sum of (i) the executive officer s annual base salary, and (ii) the executive officer s target bonus in the year of his or her termination. Such payment will be reduced, but not less than zero, by the amount of any other severance payments or similar payments made by us as a result of the termination;

(2) any accrued but unpaid annual base salary through the date of termination;

(3) the unpaid portion of any bonuses previously earned by the executive officer plus the pro rata portion of the actual bonus, if any, to be paid for the year in which the date of termination occurs; and

(4) any accrued and unused sick and vacation pay.

The executive officers shall also be entitled to the continued medical, dental, vision and life insurance coverage for the executive officer and his or her eligible dependents for a period ending on the earlier of 18 months following the date of termination or the commencement of comparable coverage by the executive officer with a subsequent employer.

Payments Made Upon Termination for Death, Disability or Retirement

If the executive officer s employment is terminated by reason of death, disability or retirement, the executive officer will receive:

(1) any accrued but unpaid annual base salary and bonus through the date of termination;

(2) the pro-rata portion of the executive officer s target bonus in the year of termination (calculated through the date of termination) (but not in the event of retirement); and

(3) any accrued and unused sick and vacation pay.

Retirement Plans

Executive officers who are eligible under our Retirement Plans will receive benefits upon their death, disability or retirement. If an executive officer is terminated other than for cause or the executive officer terminates his or her employment for good reason within three years of a change in control, then that executive officer s retirement income under the Savings Restoration Plan will be determined by crediting the executive officer with two (2) more years of service and three (3) additional years of age. Executive officers could also be eligible for early enhanced retirement benefits in the event that their position is eliminated involuntarily as a direct result of the elimination of his or her position of employment or the closure of all or any part of our United States operations. See the discussion under Pension Benefits for a summary of the Retirement Plans.

Long-Term Incentives

If the executive s employment is terminated by Tronox Incorporated without Cause, by the executive for Good Reason or due to the executive s death or Disability (as such terms are defined in the Employment Agreements, and for Mr. Ritter, the 2010 Equity Plan), 50% of all remaining unvested shares of restricted stock will immediately become vested upon such termination. If, upon or within 100 days prior to the date of announcement by Tronox Incorporated of a transaction that would constitute a Change in Control (as such term is defined in the 2010 Equity Plan), the executive s employment is terminated by Tronox Incorporated without Cause, by the executive for Good Reason or due to the executive s death or Disability, 100% of all remaining unvested shares of restricted stock will immediately become vested as of such termination, subject to and conditioned upon the consummation of the Change in Control transaction. Upon a Change in Control, 100% of all remaining unvested shares of restricted stock will immediately become vested, provided the executive is continuously employed by Tronox Incorporated or its subsidiaries through the date of such Change in Control. All unvested shares of restricted stock (determined after giving effect to any provision for accelerated vesting, as described above) will be immediately forfeited upon the termination of the executive s employment for any reason.

Death, Disability or Retirement

If an employee s employment is terminated by reason of disability or retirement, all options held by the employee will vest and may be exercised within a period not to exceed the lesser of four years following such

termination or the remaining term of the option. If an employee dies while employed by us or within three months following after the termination of such employee (except for termination for cause), all options held by that employee will vest and may be exercised by the employee s estate or heir within a period not to exceed the lesser of four years following such termination or the remaining term of the option.

If an employee s employment is terminated by reason of death, disability or retirement during the restricted period for any restricted stock awards, the restricted period will lapse and the employee will receive the shares of restricted stock.

Calculation of Total Amounts Payable upon Termination or Change in Control

The following tables provide the amount of compensation payable to each named executive officer upon termination within two years of a change in control for (i) termination without cause or (ii) termination for good reason by the executive officer. The tables also show the amount of compensation payable to each named executive officer upon his or her voluntary resignation, termination for cause, retirement, disability or death. Except as noted, the amounts shown below assume that such termination was effective as of December 31, 2010, and thus includes amounts earned through such time and are estimates of the amounts which would be paid to each executive officer upon his or her termination. In addition, the tables below assume that the Employment Agreements, which became effective upon our emergence from Chapter 11 bankruptcy proceedings, were in effect on December 31, 2010. The actual amounts to be paid to each executive officer can only be determined at the time of that named executive officer s termination. All footnotes to the tables below apply to all tables and are presented after the final table.

Thomas Casey

Mr. Casey was hired on October 5, 2011 and the terms of his employment are included in the Casey Offer Letter.

In the event Mr. Casey s employment is terminated by Tronox Incorporated without cause, he will receive:

- Base salary due through the date of termination plus a pro rata bonus for the year of termination;
- Two times the sum of his base salary and annual target bonus, payable in installments;
- Accelerated vesting of all RSUs subject to time-based vesting conditions; and
- Accelerated vesting of all RSUs subject to performance-based vesting conditions if the performance vesting criteria have been met as of the date of termination, taking into consideration any abbreviation of the performance period resulting from the termination of employment.

In the event Mr. Casey s employment is terminated without cause following a change of control transaction, other than the Transaction, Mr. Casey will also be entitled to accelerated vesting of all outstanding equity grants.

In the event Mr. Casey s employment is terminated due to his death or disability, his sign-on equity grant (50,000 RSUs or restricted stock shares) will be subject to pro-rata vesting based on the number of months he was employed by Tronox Incorporated divided by 36 months, provided in no event will the accelerated vesting result in less than 25 percent of the sign-on grant being vested.

In the event Mr. Casey s employment is terminated without cause following a change of control transaction, other than the Transaction, Mr. Casey will also be entitled to accelerated vesting of all outstanding equity grants.

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The following chart assumes payments to the executives with an assumed termination date of December 31, 2011.

Thomas J. Casey

Executive Benefits and Payments Upon Termination	Voluntary Resignation ($)	Retirement ($)(1)	Disability ($)(2)	Death ($)(3)	Involuntary Termination ($)(4)	Termination Resulting from Change in Control($)(5)
Cash Compensation						
Cash Severance			2,000,000	2,000,000	2,000,000	2,000,000
Target Bonus			1,500,000	1,500,000	1,500,000	1,500,000
Accrued Sick & Vacation Pay(a)	144,231		192,308	192,308	192,308	192,308
Accrued Target Bonus			1,012,500	1,012,500	1,012,500	1,012,500
Equity						
Restricted Stock			3,115,800	3,115,800	9,231,600	9,231,600
Retirement Benefits						
Qualified Plan						
Medical Benefits						
Medical, Dental, Vision			27,372	27,372	27,372	27,372
Total:	**144,231**		**7,847,980**	**7,847,980**	**13,963,780**	**13,963,780**

(a) In the case of a voluntary resignation only accrued vacation is paid out. In the case of Disability, Death, Involuntary Termination or Termination Resulting from a Change in Control, accrued vacation and sick leave balances will be paid out.

Dennis L. Wanlass

Mr. Wanlass signed a separation agreement effective December 21, 2011 and the following table values reflect the terms of the separation agreement as if he were terminated on December 31, 2011. See the section captioned Separation Agreement for a narrative description of Mr. Wanlass s separation agreement.

Executive Benefits and Payments Upon Termination	Voluntary Resignation ($)	Retirement ($)(1)	Disability ($)(2)	Death ($)(3)	Involuntary Termination ($)(4)	Termination Resulting from Change in Control ($)(5)
Cash Compensation						
Cash Severance					1,550,000	1,550,000
Target Bonus					1,395,000	1,395,000
Accrued Sick & Vacation Pay(a)	229,519		359,183	359,183	359,183	359,183
Accrued Target Bonus						
Equity						
Restricted Stock						3,810,000
Retirement Benefits						
Qualified Plan						
Medical Benefits						
Medical, Dental, Vision			27,372	27,372	27,372	27,372
Total:	**229,519**		**386,555**	**386,555**	**3,331,555**	**7,141,555**

(a) In the case of a voluntary resignation only accrued vacation is paid out. In the case of Disability, Death, Involuntary Termination or Termination Resulting from a Change in Control, accrued vacation and sick leave balances will be paid out.

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John D. Romano

Executive Benefits and Payments Upon Termination	Voluntary Resignation ($)	Retirement ($)(1)	Disability ($)(2)	Death ($)(3)	Involuntary Termination ($)(4)	Termination Resulting from Change in Control($)(5)
Cash Compensation						
Cash Severance			360,000	360,000	360,000	720,000
Target Bonus			234,000	234,000	234,000	468,000
Accrued Sick & Vacation Pay(a)	112,154		422,308	422,308	422,308	422,308
Accrued Target Bonus			234,000	234,000	234,000	234,000
Equity						
Restricted Stock			2,300,000	2,300,000	2,300,000	2,300,000
Retirement Benefits						
Qualified Plan			209,127	209,127	209,127	209,127
Medical Benefits						
Medical, Dental, Vision			40,713	40,713	40,713	40,713
Total:	**112,154**		**3,800,148**	**3,800,148**	**3,800,148**	**3,800,148**

(a) In the case of a voluntary resignation only accrued vacation is paid out. In the case of Disability, Death, Involuntary Termination or Termination Resulting from a Change in Control, accrued vacation and sick leave balances will be paid out.

Michael J. Foster

Executive Benefits and Payments Upon Termination	Voluntary Resignation ($)	Retirement ($)(1)	Disability ($)(2)	Death ($)(3)	Involuntary Termination ($)(4)	Termination Resulting from Change in Control($)(5)
Cash Compensation						
Cash Severance			330,000	330,000	330,000	660,000
Target Bonus			165,000	165,000	165,000	330,000
Accrued Sick & Vacation Pay(a)	73,615		187,212	187,212	187,212	187,212
Accrued Target Bonus			165,000	165,000	165,000	165,000
Equity						
Restricted Stock			1,900,000	1,900,000	1,900,000	1,900,000
Retirement Benefits						
Qualified Plan			51,081	51,081	51,081	51,081
Medical Benefits						
Medical, Dental, Vision			40,689	40,689	40,689	40,689
Total:	**73,615**		**2,838,982**	**2,838,982**	**2,838,982**	**2,838,982**

(a) In the case of a voluntary resignation only accrued vacation is paid out. In the case of Disability, Death, Involuntary Termination or Termination Resulting from a Change in Control, accrued vacation and sick leave balances will be paid out.

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Robert C. Gibney

Executive Benefits and Payments Upon Termination	Voluntary Resignation ($)	Retirement ($)(1)	Disability ($)(2)	Death ($)(3)	Involuntary Termination ($)(4)	Termination Resulting from Change in Control($)(5)
Cash Compensation						
Cash Severance			300,000	300,000	300,000	600,000
Target Bonus			150,000	150,000	150,000	300,000
Accrued Sick & Vacation Pay(a)	79,327		288,318	288,318	288,318	288,318
Accrued Target Bonus			150,000	150,000	150,000	150,000
Equity						
Restricted Stock			1,200,000	1,200,000	1,200,000	1,200,000
Retirement Benefits						
Qualified Plan			211,027	211,027	211,027	211,027
Medical Benefits						
Medical, Dental, Vision			44,167	44,167	44,167	44,167
Total:	79,327		2,343,512	2,343,512	2,343,512	2,343,512

(a) In the case of a voluntary resignation only accrued vacation is paid out. In the case of Disability, Death, Involuntary Termination or Termination Resulting from a Change in Control, accrued vacation and sick leave balances will be paid out.

Edward G. Ritter(6)

Executive Benefits and Payments Upon Termination	Voluntary Resignation ($)	Retirement ($)(1)	Disability ($)(2)	Death ($)(3)	Involuntary Termination ($)(4)	Termination Resulting from Change in Control($)(5)
Cash Compensation						
Cash Severance					192,732	192,732
Target Bonus						
Accrued Vacation and Sick Pay(a)	45,681		118,697	118,697	118,697	118,697
Accrued Target Bonus						
Equity						
Restricted Stock					540,000	540,000
Retirement Benefits						
Qualified Plan			91,597	91,597	91,597	91,597
Medical Benefits						
Total:	45,681		210,294	210,294	943,026	943,026

(a) In the case of a voluntary resignation only accrued vacation is paid out. In the case of Disability, Death, Involuntary Termination or Termination Resulting from a Change in Control, accrued vacation and sick leave balances will be paid out.

(1) None of our current Officers are retirement eligible as of December 31, 2011.

(2) Calculations for the Cash Severance are based on annual rates of pay. Mr. Romano, Mr. Gibney and Mr. Foster would receive one time their annual salary in the case of a disability. Target bonuses are based on annual rates of pay. Mr. Romano would receive 65% his annual salary. Mr. Foster and Mr. Gibney would each receive half of their annual base salary.

(3) Calculations for the Cash Severance are based on annual rates of pay. The beneficiaries of Mr. Romano, Mr. Gibney and Mr. Foster would receive one time their annual salary in the case of death.

(4) Calculations for an Involuntary Termination are based on annual rates of pay. Mr. Wanlass would receive $1,550,000 per his separation agreement. Mr. Romano, Mr. Foster and Mr. Gibney would each receive one times their annual base salary plus target bonus.

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(5) Cash severance payments for a Termination Resulting from a Change in Control are also based on annual rates of pay. Mr. Romano, Mr. Foster and Mr. Gibney would each receive two times their annual base salary and target bonus. Restricted stock for Mr. Wanlass is calculated based on his separation agreement and his remaining restricted stock of 37,150 shares at $120 a share, which is the closing price on December 30, 2011.

(6) Mr. Ritter does not have an employment agreement with Tronox Incorporated. He has a letter that grants him one year of severance pay in the case of a Termination Resulting from a Change of Control. He also has restricted stock of 4,500 shares that will vest at the time of a Change of Control event. The value of restricted stock is calculated at $120 a share, which is the closing price on December 30, 2011.

2011 Director Compensation

In connection with our emergence from Chapter 11 bankruptcy proceedings, the bankruptcy court approved a director compensation package (the Director Compensation Policy). Under the Director Compensation Policy, all non-employees directors are entitled to an annual cash retainer of $70,000 for service on the board of directors payable quarterly, plus additional cash compensation payable quarterly as follows:

The chairman of the board of directors will receive an additional annual retainer of $50,000;

The chairman of the Audit Committee will receive an additional annual retainer of $50,000;

Each co-chairman of the Strategic Committee will receive an additional annual retainer of $30,000;

The chairman of the Human Resources and Compensation Committee will receive an additional annual retainer of $20,000;

The chairman of each of the Governance Committee, Nominating Committee or another committee established by the board of directors, respectively, will receive an additional annual retainer of $20,000; and

A committee member of each of the Audit Committee, Strategic Committee, Human Resources and Compensation Committee, Governance Committee, Nominating Committee or another committee established by the board of directors, respectively, who is not serving as chairman of such committee, will receive an additional annual retainer of $15,000.

In addition, the Director Compensation Policy provides that within 60 days following our emergence from Chapter 11 bankruptcy proceedings, non-employee directors will be entitled to receive a grant of restricted stock under the terms of the 2010 Equity Plan with a value equal to $70,000, determined by dividing $70,000 by the average of the ten day trading price of Tronox Incorporated s stock for the ten day period commencing on the 20th trading day following the Effective Date and rounding down to the nearest full share. Such grant of restricted stock will vest in four pro-rata equal installments on the last day of each calendar quarter during the one-year period following the Effective Date, provided that the non-employee director is then providing services to the board of directors on each such vesting date. The Director Compensation Policy also provides that within 30 days of the Effective Date, non-employee directors will receive a grant of 2,500 shares of restricted stock to be granted under the 2010 Equity Plan. Such grant of restricted stock will vest in 12 pro-rata equal installments on the last day of each calendar quarter that ends following the Effective Date, provided that the non-employee director is then providing services to the board of directors on each such vesting date.

Additionally, non-employee directors will be entitled to receive a grant of restricted stock under the 2010 Equity Plan consisting of the following, provided that a portion of the restricted stock award that has not vested is subject to forfeiture commencing in calendar year 2014 upon a majority vote of Tronox Incorporated s shareholders:

The chairman of the board of directors will receive 6,500 shares;

Each co-chairman of the Strategic Committee, who is not serving as chairman of the board of directors, will receive 6,500 shares;

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- The chairman of the Audit Committee, if he or she is not serving as chairman of the board of directors or chairman of the Strategic Committee, will receive 4,500 shares; and

- All non-employee directors, other than the chairman of the board of directors and the chairmen of the Strategic Committee and Audit Committee, will receive 3,500 shares.

The foregoing grants of restricted stock will be subject to the following vesting schedule, provided that the non-employee director is then providing services to the board of directors on each such vesting date: (i) 12.5% of the restricted stock shall vest on December 31, 2011, (ii) 12.5% of the restricted stock shall vest on December 31, 2012, (iii) 12.5% of the restricted stock shall vest on December 31, 2013, (iv) 20% of the restricted stock shall vest on December 31, 2014, and (v) 42.5% of the restricted stock shall vest on December 31, 2015, provided, that all unvested shares of restricted stock shall immediately vest upon the consummation of a Change in Control of Tronox Incorporated, as defined in the 2010 Equity Plan.

The following table sets forth the total compensation for the year ending December 31, 2011 paid to or earned by our directors during 2011.

Director Compensation

Name	Fees Earned or Paid in Cash($)	Stock Awards($)	Option Awards($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total($)
Thomas J. Casey	93,905	1,166,568	0	n/a	0	1,260,473
Ilan Kaufthal	81,375	1,166,568	0	n/a	0	1,247,943
Andrew P. Hines	78,874	921,568	0	n/a	0	1,000,442
Robert M. Gervis	65,520	799,068	0	n/a	0	864,588
Wayne A. Hinman	72,188	799,068	0	n/a	0	871,256
Jeffry N. Quinn	56,342	799,068	0	n/a	0	855,410

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table shows information regarding the beneficial ownership of shares of Tronox Incorporated s common stock as of December 15, 2011 by:

- each current director of Tronox Incorporated;
- the current Chief Executive Officer and Chief Financial Officer of Tronox Incorporated and individuals named in the Summary Compensation Table;
- all persons currently serving as directors and executive officers of Tronox Incorporated, as a group; and
- each person known by us to own beneficially 5.0% or more of Tronox Incorporated s outstanding shares of common stock as of December 15, 2011; and

With respect to the percentage of voting power set forth in the following table:

Beneficial ownership and percentage ownership are determined in accordance with the SEC s rules. To our knowledge, except as indicated in the footnotes to this table and subject to community property laws where applicable, the persons named in the table below have sole voting and investment power with respect to all shares of Tronox Incorporated common stock shown as beneficially owned by them. The table is based on 15,076,691 shares of Tronox Incorporated common stock outstanding as of December 31, 2011. Unless otherwise noted below, the address for each beneficial owner listed in the table below is: c/o Tronox Incorporated, 3301 N.W. 150th Street, Oklahoma City, Oklahoma 73134.

Name and Address of Beneficial Owner	Number of Shares of Common Stock Beneficially Owned	% Owned
Thomas Casey	89,453	*
Robert Gervis	6,523	*
Andrew Hines	7,523	*
Wayne Hinman	6,523	*
Ilan Kaufthal	9,523	*
Jeffry N. Quinn	6,523	*
Michael J. Foster	30,430	*
Edward G. Ritter	6,341	*
John D. Romano	36,844	*
Robert Gibney	19,210	*
Dennis L. Wanlass	65,546	*
Total	281,439	1.9%

* Less than 1.0%.

All of the outstanding shares of Tronox Limited are owned by Tronox Incorporated.

THE SPECIAL MEETING OF TRONOX INCORPORATED STOCKHOLDERS

General

The Tronox Incorporated Board of Directors is using this proxy statement/prospectus to solicit proxies from the holders of Tronox Incorporated common stock for use at the Tronox Incorporated special meeting. Tronox Incorporated is first mailing this proxy statement/prospectus and accompanying proxy card to its stockholders on or about , 2012.

Date, Time and Place of the Tronox Incorporated Special Meeting

Tronox Incorporated will hold its special meeting of stockholders on , 2012, at Eastern Time, in New York, New York.

Purpose of the Tronox Incorporated Special Meeting

At the Tronox Incorporated special meeting, Tronox Incorporated will ask its stockholders:

- to consider and vote on the proposal to adopt the Transaction Agreement for the purpose of approving the Mergers contemplated thereby (which we refer to in this document as the Merger Proposal), as a result of which any stockholder of Tronox Incorporated who does not elect to receive Exchangeable Shares in the Mergers 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

- to adjourn the Tronox Incorporated special meeting, if necessary, to solicit additional proxies if there are not sufficient votes to approve the Merger Proposal (which we refer to in this document as the Adjournment Proposal).

The Tronox Incorporated board of directors has unanimously approved the Transaction Agreement and the transactions contemplated thereby, including the Mergers, and unanimously recommends that Tronox Incorporated stockholders vote **FOR** each of the foregoing proposals. See The Transaction Recommendation of the Tronox Incorporated Board of Directors; Tronox Incorporated s Reasons for the Transaction. 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 Transaction Additional Interests of Tronox Incorporated Executive Officers and Directors in the Transaction.

Record Date and Shares Entitled to Vote

The Tronox Incorporated board of directors has fixed the close of business on , 2012 as the record date for determination of stockholders entitled to notice of, and to vote at, the Tronox Incorporated special meeting. Only holders of record of Tronox Incorporated common stock at the close of business on the record date are entitled to notice of, and to vote at, the Tronox Incorporated special meeting and any adjournments or postponements of the Tronox Incorporated special meeting.

Each share of Tronox Incorporated common stock is entitled to one vote at the Tronox Incorporated special meeting for each share of Tronox Incorporated common stock held by that stockholder at the close of business on the record date. Tronox Incorporated s common stock is its only security entitled to vote at the Tronox Incorporated special meeting.

As of , 2012, the record date for the Tronox Incorporated special meeting, there were shares of Tronox Incorporated common stock outstanding, held by holders of record. Tronox Incorporated will make available a complete list of stockholders entitled to vote at the Tronox Incorporated special meeting for examination by any

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Tronox Incorporated stockholders at Tronox Incorporated s headquarters, 3301 N.W. 150th Street, Oklahoma City, Oklahoma 73134, for purposes pertaining to the Tronox Incorporated special meeting, during normal business hours beginning on , 2012, and at the time and place of the Tronox Incorporated special meeting.

Quorum

The presence of holders of a majority of the total number of shares of Tronox Incorporated common stock outstanding as of the record date of the Tronox Incorporated special meeting, present in person or represented by proxy, shall constitute a quorum for the transaction of business at the Tronox Incorporated special meeting. Abstentions are counted as shares present at the special meeting for purposes of determining whether a quorum exists. Broker non-votes, which are described in more detail below, will not be counted as present for purposes of determining whether a quorum exists with respect to the Merger Proposal or the Adjournment Proposal.

A broker non-vote occurs when a broker who holds shares in street name for a customer does not receive voting instructions from the customer and does not otherwise have the power to vote on a matter without such instructions. Brokers are precluded from exercising voter discretion with respect to the approval of non-routine matters. The Merger Proposal is considered a non-routine matter, and therefore, brokers will not have discretionary authority to vote shares of our common stock held in street name if the beneficial owners of those shares fail to give them voting instructions.

Vote Required

Vote Required to Approve the Merger Proposal

The approval and adoption of the Merger Proposal requires the affirmative vote of the holders of a majority of the shares of Tronox Incorporated common stock outstanding as of the record date, voting as a single class, either in person or by proxy. As a result, if you are a Tronox Incorporated stockholder and do not vote (which will result in a broker non-vote) or abstain from voting your shares of Tronox Incorporated common stock, this will have the same effect as voting against the approval and adoption of the Merger Proposal.

Vote Required to Approve the Adjournment Proposal

The affirmative vote of at least a majority of the votes cast on the Adjournment Proposal by holders of Tronox Incorporated common stock present in person or represented by proxy and entitled to vote on the Adjournment Proposal is required to approve this proposal. If you abstain from voting, it will have the same effect as voting against this proposal. If you fail to vote or a broker non-vote occurs, it will have no effect on the vote count for this proposal.

Voting by Tronox Incorporated s Directors and Executive Officers

As of the record date for the special meeting of Tronox Incorporated stockholders, Tronox Incorporated s directors and executive officers collectively held % of the Tronox Incorporated common stock outstanding and entitled to vote at the Tronox Incorporated special meeting. Tronox Incorporated has been advised by its directors and executive officers that they will vote their shares of Tronox Incorporated common stock in favor of each of the proposals to be considered at the Tronox Incorporated special meeting, although none of them has entered into any agreements obligating them to do so.

Voting of Proxies

Giving a proxy means that a Tronox Incorporated stockholder authorizes the persons named in the enclosed proxy card to vote the stockholder s shares at the Tronox Incorporated special meeting in the manner that such stockholder directs. All shares represented by properly executed proxies received in time for the Tronox

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Incorporated special meeting will be voted at the Tronox Incorporated special meeting in the manner specified by the stockholders giving those proxies. The persons named as proxies will vote properly executed proxies that do not contain voting instructions **FOR** the approval of Merger Proposal and the Adjournment Proposal.

How to Vote

If you own shares of Tronox Incorporated common stock in your own name, you are an owner of record. This means that you may use the enclosed proxy card(s) to tell the persons named as proxies how to vote your shares of Tronox Incorporated common stock. If you fail to sign and return your proxy card(s), the proxies cannot vote your shares of Tronox Incorporated common stock at the Tronox Incorporated special meeting. An owner of record has four voting options:

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. Have your proxy card in hand when you access the web site and follow the on-screen instructions to vote.

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 simply completing, signing, dating and mailing your proxy card(s) in the postage-paid envelope included with this proxy statement/prospectus.

In Person. You may attend the Tronox Incorporated special meeting and cast your vote in person. The Tronox Incorporated board of directors recommends that you authorize your proxy by Internet, telephone or mail, even if you plan to attend the Tronox Incorporated special meeting.

If you hold your shares of Tronox Incorporated common stock in street name through a broker, bank or other nominee, you must provide the record holder of your shares with instructions on how to vote the shares. Please follow the voting instructions provided by the bank or broker. You may not vote shares held in street name by returning a proxy card directly to Tronox Incorporated or by voting in person at the Tronox Incorporated special meeting unless you provide a legal proxy, which you must obtain from your broker, bank or other nominee. Further, brokers, banks or other nominees 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 with respect to any of the proposals without specific instructions from their customers, as brokers, banks and other nominees do not have discretionary voting power on these matters.

The Internet and telephone proxy procedures are designed to authenticate a stockholder s identity, to allow stockholders to give their proxy voting instructions and to confirm that these instructions have been properly recorded. Directing the voting of your Tronox Incorporated shares will not affect your right to vote in person if you decide to attend the Tronox Incorporated special meeting.

The named proxies will vote all shares at the special meeting that have been properly voted (whether by Internet, telephone or mail) and not revoked.

Revocability of Proxies

You may revoke your proxy at any time after you give it, and before it is voted, in one of the following ways:

- by notifying Tronox Incorporated s Corporate Secretary, at 3301 N.W. 150th Street, Oklahoma City, Oklahoma 73134, that you are revoking your proxy by written notice that bears a date later than the date of the proxy and that Tronox Incorporated receives prior to the Tronox Incorporated special meeting and states that you revoke your proxy;

- by signing another Tronox Incorporated proxy card(s) bearing a later date and mailing it so that Tronox Incorporated receives it prior to the Tronox Incorporated special meeting;

- by voting again using the telephone or Internet voting procedures; or

- by attending the Tronox Incorporated special meeting and voting in person, although attendance at the Tronox Incorporated special meeting alone will not, by itself, revoke a proxy.

If your broker, bank or other nominee holds your shares in street name, you will need to contact your broker, bank or other nominee to revoke your voting instructions.

Solicitation of Proxies

Tronox Incorporated, on behalf of the Tronox Incorporated board of directors, through its directors, officers and employees, is soliciting proxies for the Tronox Incorporated special meeting from Tronox Incorporated stockholders. Tronox Incorporated will bear the entire cost of soliciting proxies from Tronox Incorporated stockholders. In addition to this mailing, Tronox Incorporated s directors, officers and employees (who will not receive any additional compensation for their services) may solicit proxies personally, electronically, by telephone or by electronic communication such as e-mails or postings on Tronox Incorporated s website or Intranet.

Tronox Incorporated has engaged the services of for a fee not to exceed $, plus reimbursement of expenses, to provide advisory services and assist in the solicitation of proxies for the Tronox Incorporated special meeting.

Tronox Incorporated and its proxy solicitors will request that banks, brokerage houses and other custodians, nominees and fiduciaries send proxy materials to the beneficial owners of Tronox Incorporated common stock and will, if requested, reimburse the record holders for their reasonable out-of-pocket expenses in doing so. The extent to which these proxy-soliciting efforts will be necessary depends upon how promptly proxies are submitted.

Assistance

If you need assistance in completing your proxy card or have questions regarding Tronox Incorporated s special meeting, please contact toll-free at or collect at .

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PROPOSALS SUBMITTED TO TRONOX INCORPORATED S STOCKHOLDERS

The Merger Proposal

In the Merger Proposal, Tronox Incorporated stockholders are asked to consider and vote on the proposal to adopt the Transaction Agreement for the purpose of approving the Mergers contemplated thereby. As a result of the Mergers, any stockholder of Tronox Incorporated who does not elect to receive Exchangeable Shares 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 summary and detailed information regarding this proposal, see the information about the Transaction Agreement and the Transaction throughout this proxy statement/prospectus, including the information set forth in sections entitled The Transaction, Description of the Transaction Documents and Governance of Tronox Limited. A copy of the Transaction Agreement is included as Annex A to this proxy statement/prospectus.

Under the Transaction Agreement, approval of this proposal is a condition to completion of the Transaction. If the proposal is not approved, the Transaction will not be completed.

Approval of the proposal requires the affirmative vote of the holders of a majority of the outstanding shares of Tronox Incorporated s common stock on the record date for the Tronox Incorporated special meeting.

The Tronox Incorporated board of directors unanimously recommends a vote **FOR** the Merger Proposal (Item 1). 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 Transaction Additional Interests of Tronox Incorporated Executive Officers and Directors in the Transaction.

The Adjournment Proposal

If, at the Tronox Incorporated special meeting, the number of shares of Tronox Incorporated common stock present or represented and voting in favor of the Merger Proposal is insufficient to approve the Merger Proposal, Tronox Incorporated intends to move to adjourn the Tronox Incorporated special meeting in order to enable the Tronox Incorporated board of directors to solicit additional proxies for approval of such proposal.

In the Adjournment Proposal, Tronox Incorporated is asking its stockholders to authorize the holder of any proxy solicited by the Tronox Incorporated board of directors to vote in favor of granting discretionary authority to the proxy holders, and each of them individually, to adjourn the Tronox Incorporated special meeting to another time and place for the purpose of soliciting additional proxies. If the Tronox Incorporated stockholders approve the Adjournment Proposal, Tronox Incorporated could adjourn the Tronox Incorporated special meeting and any adjourned session of the Tronox Incorporated special meeting and use the additional time to solicit additional proxies, including the solicitation of proxies from Tronox Incorporated stockholders who have previously voted.

If the proposal to adjourn the Tronox Incorporated special meeting for the purpose of soliciting additional proxies is submitted to the Tronox Incorporated stockholders for approval, such approval requires the affirmative vote of a majority of all the votes cast by holders of the Tronox Incorporated common stock present in person or represented by proxy at the special meeting and entitled to vote on the Adjournments Proposal.

The Tronox Incorporated board of directors unanimously recommends a vote **FOR** the Adjournment Proposal (Item 2). 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 Transaction Additional Interests of Tronox Incorporated Executive Officers and Directors in the Transaction.

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Other Business

At this time, Tronox Incorporated does not intend to bring any other matters before the Tronox Incorporated special meeting, and Tronox Incorporated does not know of any matters to be brought before the Tronox Incorporated special meeting by others. If, however, any other matters properly come before the Tronox Incorporated special meeting, the persons named in the enclosed proxy, or their duly constituted substitutes, acting at the Tronox Incorporated special meeting or any adjournment or postponement thereof will be deemed authorized to vote the shares represented thereby in accordance with the judgment of management on any such matter.

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THE TRANSACTION

The discussion in this proxy statement/prospectus of the Transaction and the principal terms of the Transaction Agreement is subject to, and is qualified in its entirety by reference to, the Transaction Agreement. We urge you to read carefully the Transaction Agreement in its entirety, a copy of which is included as Annex A to this proxy statement/prospectus.

General Description of the Transaction

The Transaction will combine the existing businesses of Tronox Incorporated with Exxaro Mineral Sands under a new Australian holding company, Tronox Limited. Tronox Limited is currently a newly-formed, wholly-owned subsidiary of Tronox Incorporated.

The Transaction will be effectuated in two primary steps:

- In the first step, Tronox Incorporated will participate in the following Mergers:
  - In the First Merger, Merger Sub One will merge with and into Tronox Incorporated, and Tronox Incorporated will be the surviving corporation in the merger. In this merger, Tronox Incorporated stockholders will have the right to elect to receive, with respect to each of their shares of Tronox Incorporated common stock, either (i) one Class A Share and one share of Tronox Incorporated common stock (the Parent Share Election), or (ii) one Exchangeable Share of Tronox Incorporated (the Exchangeable Share Election).
  - In the Second Merger, Merger Sub Two, another indirect, wholly-owned subsidiary of Tronox Limited formed for the sole purpose of effecting the Transaction, will merge with and into Tronox Incorporated, and Tronox Incorporated will be the surviving corporation in the merger and thereby becoming, subject to the exchange of all Exchangeable Shares into Class A Shares and cash, an indirect wholly-owned subsidiary of Tronox Limited. In this merger, each share of Tronox Incorporated common stock will be converted into an amount in cash equal to $12.50 without interest.
- In the second step, Tronox Limited will acquire Exxaro Mineral Sands in exchange for issuing 9,950,856 Class B Shares to Exxaro and Exxaro International BV. The consideration for Exxaro Mineral Sands will be subject to adjustments for net working capital, net debt, certain expenditures relating to the South African operations of Exxaro Mineral Sands, and the environmental provision shortfall, which adjustments will be made solely in cash and will not affect the number of Class B Shares to be issued to Exxaro.

The aggregate effect of the Mergers on the shares of Tronox Incorporated common stock outstanding prior to the First Merger is as follows:

- each share of Tronox Incorporated common stock with respect to which a Parent Share Election has been validly made and not revoked or lost will be converted into one Class A Share and an amount in cash equal to $12.50 without interest;
- each share of Tronox Incorporated common stock with respect to which an Exchangeable Share Election has been validly made and not revoked or lost will be converted into one Exchangeable Share, subject to the limitations and the proration procedures described below; and
- each share of Tronox Incorporated common stock with respect to which neither a Parent Share Election nor an Exchangeable Share Election has been made will be converted into one Class A Share and an amount in cash equal to $12.50 without interest.

As a result of the Mergers, any stockholder of Tronox Incorporated who does not make an Exchangeable Share Election 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.

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In the event that the shares of Tronox Incorporated common stock subject to the Exchangeable Share Election 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 Exchangeable Share Elections will be treated as Parent Share Elections and no Exchangeable Shares will be issued in the Mergers. In the event that the shares of Tronox Incorporated common stock subject to the Exchangeable Share Election represent more than 15.0% of the aggregate number of shares of Tronox Incorporated common stock outstanding on the record date of the special meeting, the number of Exchangeable Shares subject to the Exchangeable Share Election will be subject to proration, meaning that holders making a an Exchangeable Share Election will receive a combination of Exchangeable Shares and Class A Shares and cash, with the total number of shares of Tronox Incorporated common stock that are exchanged for Exchangeable Shares representing 15.0% of the aggregate number of outstanding shares of Tronox Incorporated common stock. For more details on the election mechanism and procedure, see Description of the Transaction Documents The Transaction Agreement.

At any time following completion of the Transaction and prior to October 5, 2012, holders of Exchangeable Shares will have the right to require Tronox Incorporated to exchange each Exchangeable Share for (i) one Class A ordinary share of Tronox Limited, (ii) an amount in cash equal to $12.50 per share without interest, and (iii) assuming that the holder was a holder of record on the applicable dividend record date, cash equal to any declared but unpaid dividends on the Exchangeable Share. Beginning on October 30, 2012, Tronox Incorporated will have the right to exchange each outstanding Exchangeable Share for (i) one Class A ordinary share of Tronox Limited, (ii) an amount in cash equal to $12.50 per share without interest, and (iii) assuming that the holder was a holder of record on the applicable dividend record date, cash equal to any declared but unpaid dividends on the Exchangeable Share. For more details on the terms of the Exchangeable Shares, see the description of the terms of the Exchangeable Shares under Description of Tronox Incorporated Exchangeable Shares.

Upon completion of the Transaction, assuming all Tronox Incorporated stockholders make the Parent Share Election, the Tronox Incorporated stockholders immediately prior to completion of the Transaction will own all of the Class A Shares, representing approximately 61.5% of the voting securities of Tronox Limited, and Exxaro and Exxaro International BV will own all of the Class B Shares, representing approximately 38.5% of the voting securities of Tronox Limited. If the maximum number of Exchangeable Shares are issued under the Transaction Agreement, the Class B Shares owned by Exxaro would represent a greater portion of the voting securities in Tronox Limited; however, pursuant to the Constitution, 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 scaled up until all Class A Shares intended to be issued by reason of the Mergers (including upon exchange of all Exchangeable Shares) have actually been issued.

Exxaro will enter into a Shareholder s Deed with Tronox Limited upon completion of the Transaction, pursuant to which Exxaro will receive board representation rights and other rights relating to the governance of Tronox Limited, and it will also become subject to standstill obligations and transfer restrictions with respect to its Class B Shares. For more details on the governance of Tronox Limited after the closing and Exxaro s rights under the Shareholder s Deed, see The Transaction The Governance of Tronox Limited Following Completion of the Transaction and Description of the Transaction Documents Shareholder s Deed.

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 MPRDA and the South African Mining Charter. Exxaro has agreed to hold this ownership interest until the earlier of the tenth anniversary of completion of the Transaction and the date when the DMR determines that Exxaro s direct ownership is no longer required under the BEE legislation and as determined by the DMR. Exxaro s 26.0% direct ownership interest in Exxaro Sands and Exxaro TSA Sands is subject to a put/call arrangement 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

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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 other issuances of Tronox Limited shares).

Background of the Transaction

Tronox Incorporated s board of directors and the senior management team regularly review and evaluate Tronox Incorporated s business strategy with the goal of enhancing stockholder value. Both during and after its bankruptcy proceedings, Tronox Incorporated explored the possibility of a strategic transaction with various third parties.

From January 2009 through December 2009, as part of its Chapter 11 reorganization proceedings, Tronox Incorporated solicited interest from a large number of strategic and financial partners in connection with a potential sale of the company, and engaged in detailed discussions with several parties. Since Exxaro has the option to purchase Tronox Incorporated s interest in the Tiwest Joint Venture in connection with a change of control of Tronox Incorporated, Exxaro was involved in these discussions and expressed an interest in acquiring Tronox Incorporated s 50% interest in the Tiwest Joint Venture.

On August 23, 2009, Tronox Incorporated and certain of its affiliates entered into an asset and equity purchase agreement with Huntsman Corporation, pursuant to which Tronox Incorporated agreed to sell to Huntsman substantially all of the assets relating to Tronox Incorporated s TiO_2 and electrolytic businesses (including the related working capital), as well as equity interests in certain of Tronox Incorporated s subsidiaries for a purchase price of $415.0 million, subject to specified adjustments, and Huntsman agreed to assume certain liabilities associated with the ongoing operations of the businesses being acquired. Huntsman entered into the purchase agreement as the stalking horse bidder, and the proposed sale to Huntsman was subject to Tronox Incorporated s solicitation of higher or otherwise better offers pursuant to specified bidding procedures and an auction process to be conducted under the supervision of the Bankruptcy Court.

The purchase agreement with Huntsman also specifically provided Tronox Incorporated with the ability to pursue a standalone reorganization in lieu of a sale of the company. During the fall of 2009, while soliciting alternative offers to the Huntsman bid, Tronox Incorporated simultaneously engaged in negotiations with its stakeholders regarding a reorganization. The negotiations led to the determination by Tronox Incorporated s board of directors that a standalone reorganization would provide more value to stakeholders than a sale to Huntsman. As a result, on December 20, 2009, Tronox Incorporated and certain of its stakeholders entered into a plan support agreement and an equity commitment. Tronox Incorporated s entry into these agreements was approved by the Bankruptcy Court on December 23, 2009, paving the way for Tronox Incorporated to commit to pursue a standalone reorganization instead of a sale. As a result, and as required by the plan support agreement and equity commitment agreement, Tronox Incorporated cancelled the auction and terminated the purchase agreement with Huntsman.

Throughout 2010, Tronox Incorporated was primarily focused on negotiating and finalizing its plan of reorganization and the numerous related documents that were necessary for Tronox Incorporated to emerge from Chapter 11 reorganization. In the spring of 2010, however, Exxaro initiated preliminary discussions with Tronox Incorporated regarding a potential transaction involving some form of combination of Tronox Incorporated s existing businesses with Exxaro s mineral sands business. In April 2010, Messrs. Dennis L. Wanlass, then Chief Executive Officer of Tronox Incorporated, Mike Foster, General Counsel, and John Romano, Executive Vice President, met with Wim de Klerk, Exxaro s Financial Director, and Willem van Niekerk, Exxaro s Executive General Manager of Corporate Services, in London to update Exxaro on the Chapter 11 reorganization process and discuss the potential impact of the reorganization on the Tiwest Joint Venture. The parties then respective financial advisors also attended the meeting. At this meeting, Exxaro proposed an expansion of the parties long-standing relationship after Tronox Incorporated s emergence from bankruptcy through some form of business

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combination which would involve the contribution by Exxaro of its mineral sands business (including its interest in the Tiwest Joint Venture) in exchange for ownership interest in the reorganized Tronox Incorporated.

On May 11, 2010, Tronox Incorporated entered into a confidentiality agreement with Exxaro to facilitate the review of confidential information in connection with a potential transaction, and the parties conducted preliminary due diligence investigations on each other throughout the remainder of 2010. Tronox Incorporated representatives also conducted initial site visits to Exxaro operations in South Africa, and Exxaro representatives conducted initial site visits to Tronox Incorporated s operations in the United States and the Netherlands throughout the second half of 2010.

In connection with these discussions, Exxaro engaged J.P. Morgan as its financial advisor, Orrick, Herrington & Sutcliffe LLP as its outside legal counsel, and the South African law firm Norton Rose South Africa and Australian law firm Freehills to provide advice on South African and Australian law issues, respectively.

From May to August 2010, Tronox Incorporated s management had several discussions with Exxaro s management in connection with due diligence matters. Tronox Incorporated was primarily focused on completing its reorganization during this period.

On August 4, 2010, following its preliminary due diligence investigations, Exxaro delivered a term sheet for the proposed transaction to Tronox Incorporated. From August 5 to August 12, 2010, Messrs. Wanlass and Foster of Tronox Incorporated met with Messrs. de Klerk, van Niekerk and Riaan Koppeschaar, General Manager of Corporate Finance and Treasury, of Exxaro, at the New York office of Kirkland & Ellis LLP, outside counsel to Tronox Incorporated, for a series of meetings regarding the proposed terms for a potential transaction. The respective legal and financial advisors of Tronox Incorporated and Exxaro also attended these meetings. Following these meetings, Tronox Incorporated decided to defer the consideration of the specific terms of a potential transaction with Exxaro in order to focus on its reorganization, although the parties agreed to continue their due diligence investigations on each other.

From December 7 to December 10, 2010, at Exxaro s request, Mr. Wanlass of Tronox Incorporated met with Mr. van Niekerk of Exxaro in New York to discuss the status of the due diligence investigations and whether the parties could find a path forward to a transaction. Mr. Wanlass expressed a general interest in a potential transaction with Exxaro but reiterated that Tronox Incorporated needed to remain focused on its emergence from Chapter 11 reorganization proceedings.

On February 14, 2011, Tronox Incorporated emerged from the Chapter 11 reorganization proceedings. Effective on that date, Tronox Incorporated s board of directors formed a strategic committee for the purpose of exploring potential strategic options with the goal of enhancing stockholder value. The strategic committee was comprised of two members, Messrs. Thomas Casey and Ilan Kaufthal, both of whom were independent directors at the time. The board chose Messrs. Casey and Kaufthal based on their extensive experience in mergers and acquisitions and their experience in the investment banking industry. The strategic committee s mandate was to focus its attention on the consideration of strategic alternatives, the exploration of different options with the board s financial advisors and the evaluation of proposals from third parties, and to lead discussions with potential strategic partners and to make recommendations to the board of directors. Also, shortly after its emergence from Chapter 11 reorganization proceedings, Tronox Incorporated engaged Goldman, Sachs & Co., which we refer to as Goldman Sachs, and Moelis & Company LLC, which we refer to as Moelis, as its financial advisors to assist the board and the strategic committee in evaluating potential strategic options.

In February 2011, representatives from a strategic party, which we refer to as Party A, approached Tronox Incorporated regarding a potential transaction. Preliminary discussions were sufficiently credible that Tronox Incorporated proceeded to provide due diligence materials to Party A at the beginning of March 2011 following the execution of a confidentiality agreement.

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From March 20 to March 24, 2011, Mr. Wanlass of Tronox Incorporated met with Messrs. de Klerk, van Niekerk and Koppeschaar of Exxaro in South Africa to discuss the potential parameters of a transaction. At these meetings, the parties discussed the possible structures for a proposed combination and timetables for completing due diligence and developing financial and operational terms for a potential transaction. At the end of these meetings, the parties agreed on a methodology for determining the relative values of Tronox Incorporated and Exxaro Mineral Sands and assigned responsibilities for completing the financial models.

On March 24, 2011, Messrs. Casey, Kaufthal and management of Tronox Incorporated met with representatives of Party A in New York. The parties financial and legal advisors also attended the meeting. At this meeting, the management of Party A presented the principal terms of a transaction, including parameters for valuation. While representatives of Tronox Incorporated disagreed with the proposed terms, at the end of the meeting, they expressed a willingness to continue to explore a potential transaction with Party A.

Throughout the remainder of March 2011 and into April 2011, discussions continued between Tronox Incorporated and Party A and their respective financial and legal advisors, including another in-person meeting on April 12, 2011 at Kirkland s New York office, which was attended by members of the strategic committee, Tronox Incorporated s management, as well as representatives from Kirkland. Based on the discussions at this meeting, Tronox Incorporated did not see any meaningful change in Party A s proposed terms for a potential transaction.

On April 8, 2011, Mr. Casey called Exxaro to indicate that the new Tronox Incorporated board of directors had been made aware of the prior discussions with Exxaro and inquired whether Exxaro was still interested in pursuing a potential transaction.

On April 15, 2011, the Tronox Incorporated board of directors held a regularly scheduled meeting at the New York office of Kirkland. At the meeting, at the request of the board, representatives of Goldman Sachs and Moelis reviewed with the board various potential strategic options for Tronox Incorporated, including the prospects for a sale of the company for cash or marketable securities, a standalone listing of Tronox Incorporated, a potential transaction with Party A, and a potential transaction with Exxaro. The board discussed the potential benefits of these alternatives to Tronox Incorporated stockholders and the timing and the likelihood of consummation of such alternatives. After extensive discussions with the board s financial and legal advisors, the board determined that none of the other alternatives was reasonably likely to present superior opportunities for creating greater long-term value for stockholders of Tronox Incorporated than the transaction with Exxaro at this time, taking into account risks of execution as well as business, competitive, industry, regulatory and market risks. The board also noted that the Transaction with Exxaro would provide an attractive route to liquidity for Tronox Incorporated stockholders. At the end of the meeting, the strategic committee made a recommendation to pursue a potential transaction with Exxaro, and the Tronox Incorporated board of directors accepted such recommendation. In addition, the board decided to cease discussions with Party A because it believed that the transaction proposed by Party A did not adequately reflect the value of Tronox Incorporated.

On April 19, 2011, Tronox Incorporated and Exxaro entered into an exclusivity agreement pursuant to which the parties agreed to engage in exclusive discussions with each other for a period of 90 days.

In connection with the discussions with Exxaro, Tronox Incorporated engaged the South African law firm Werksmans Attorneys and the Australian law firm Blake Dawson to provide advice on South African and Australian law issues, respectively. On May 4, 2011, the parties resumed due diligence investigations on each other.

On May 19, 2011, at a regular meeting of the Tronox Incorporated board of directors, Mr. Casey updated the board on the discussions with Exxaro, including the proposed parameters for valuation and the anticipated timing and structure of the transaction.

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On May 25, 2011, Orrick delivered a term sheet for a proposed transaction to Kirkland. The term sheet set forth the key terms of the proposed transaction, including Exxaro s rights as a shareholder of Tronox Incorporated after completion of the transaction.

From May 31 to June 3, 2011, Messrs. Casey and Kanfthal and management of Tronox Incorporated met with management of Exxaro, including Messrs. de Klerk, van Niekerk and Koppeschaar, at Kirkland s offices in New York to negotiate an outline of the principal terms of a potential transaction. The respective financial and legal advisors of Tronox Incorporated and Exxaro were also present. During these discussions, Exxaro raised the possibility of the formation of a new offshore holding company under which Tronox Incorporated would combine its existing business and Exxaro s mineral sands operations. Also during these discussions, the parties discussed the possibility of a dual-class capital structure for the combined company, under which Exxaro would hold a different series of stock than current stockholders of Tronox Incorporated, as a means of facilitating the planned governance arrangements.

After the meetings in New York, the parties drafted a list of key issues for a potential transaction, including issues relating to the governance of the combined company, Exxaro s standstill and lockup obligations, as well adjustment mechanism for the consideration for Exxaro Mineral Sands. In the weeks following the New York meetings, the parties engaged in a series of negotiations concerning these issues. As a result of these negotiations, the parties agreed to a dual-class capital structure for the combined company. The parties believed that such structure would allow them to better delineate the relative rights of Exxaro and Tronox Limited s other stockholders with respect to the combined company, and facilitate the monitoring and enforcement of Exxaro s standstill obligations as well as lockup and other restrictions applicable to Exxaro. The parties also agreed to a general framework for the governance of the combined company, including board composition.

On June 14, 2011, Orrick delivered an initial draft of the Transaction Agreement to Kirkland. Over the following week, Kirkland delivered to Orrick the initial drafts of certain ancillary documents, including the Shareholder s Deed.

On June 16, 2011, at a regular meeting of the Tronox Incorporated board of directors, Mr. Casey, as well as representatives of the board s financial and legal advisors, updated the board of directors on the discussions with Exxaro, including the proposed structure and financial details of the proposed transaction, the governance framework for the combined company, and the implications of the South Africa Black Economic Empowerment legislation for Tronox Incorporated s ownership of the Exxaro mineral sands business. At the end of the meeting, the strategic committee made a recommendation to continue the pursuit of the potential transaction with Exxaro and the board of directors supported such recommendation.

During the weeks following the initial exchange of drafts of the transaction documents, Tronox Incorporated and Exxaro, along with their respective financial and legal advisors, conducted a series of conference calls to negotiate the terms of the transaction documents, and exchanged multiple drafts of the transaction documents in the process. During this time, members of the strategic committee and Mr. Foster also had a series of discussions with Tronox Incorporated s financial and legal advisors regarding the benefits and disadvantages of combining the businesses under an Australian company. In connection with these discussions, Tronox Incorporated s legal and financial advisors raised the possibility of allowing Tronox Incorporated stockholders to receive exchangeable shares in Tronox Incorporated which could later be exchanged for Class A Shares in the combined company and cash, thereby allowing such stockholders to defer the recognition of gain or loss for U.S. federal income tax purposes.

On July 4, 2011, Messrs. Sipho Nkosi, Exxaro s Chief Executive Officer, Len Konar, Exxaro s Chairman of the Board, Mr. de Klerk of Exxaro and Mr. Casey of Tronox Incorporated met in London to continue negotiations over the legal and financial terms of the proposed transaction.

On July 14, 2011, the Tronox Incorporated board of directors held a special meeting during which Mr. Casey updated the board of directors on the discussions with Exxaro, including the possibility of combining

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Tronox Incorporated s existing businesses and Exxaro s mineral sands business under a new Australia-based holding company. Mr. Foster and representatives of Kirkland led the board in a discussion of the benefits and disadvantages of an Australian holding company structure versus a Delaware holding company structure, as well as the pros and cons of other potential jurisdictions in which the new holding company could be based, including South Africa. After an in-depth discussion, the board determined to pursue the structure involving an Australian holding company. In making this determination, the Tronox Incorporated board of directors considered the fact that 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 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 were 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. Upon conclusion of the meeting, the board authorized Mr. Casey to continue the negotiations with Exxaro.

On July 15, 2011, Tronox Incorporated and Exxaro extended the exclusivity period to August 18, 2011.

On July 17, 2011, Mr. van Niekerk of Exxaro contacted Mr. Casey of Tronox Incorporated and proposed the payment by Tronox Incorporated of a termination fee in the event Tronox Incorporated terminated the Transaction Agreement in order to pursue an alternative transaction. Following consultation with its financial and legal advisors, the strategic committee had several discussions with the senior management of Exxaro regarding the amount of the termination fee and the circumstances under which it should be paid. After these discussions, the parties reached an agreement on a termination fee of $20 million, payable only if Exxaro terminates the Transaction Agreement in connection with any withdrawal or adverse qualification or modification of Tronox Incorporated s board of directors recommendation of the Transaction.

On July 26, 2011, Mr. Wanlass and Mr. Robert Gibney, Vice President of Tronox Incorporated, met with Exxaro s management, including Mr. van Niekerk, as well as Exxaro s financial and tax advisors in South Africa to review Exxaro s mineral sands business, potential transition issues and transaction parameters.

In July and August 2011, Tronox Incorporated and Exxaro, along with their respective financial and legal advisors, continued to negotiate the terms of various transaction documents, including the scope of each party s representations and warranties and interim operating covenants, terms and limitations on indemnification, closing conditions and various provisions that impact deal certainty. In the meantime, the parties continued their due diligence investigations on each other. On August 16, 2011, in light of the status of the ongoing discussions, Tronox Incorporated and Exxaro further extended the exclusivity period to September 30, 2011.

On August 17, 2011, at a regular meeting of the Tronox Incorporated board of directors, Mr. Casey updated the board of directors on the status of the discussions with Exxaro, including a detailed discussion of the proposed governance arrangements for Tronox Limited.

From September 12 to September 16, 2011, Mr. Foster of Tronox Incorporated and Mr. Kopposchaar of Exxaro, together with the respective financial and legal advisors of Tronox Limited and Exxaro, held a series of meetings at the New York office of Kirkland to continue the negotiation of the terms of the transaction agreements. During that week, the Tronox Incorporated board of directors held two additional meetings, on

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September 15, 2011 and September 16, 2011, respectively, to discuss the terms of the potential transaction with Exxaro. During the week of September 19, 2011, Tronox Incorporated, Exxaro and their respective legal and financial advisors engaged in intensive negotiations regarding the remaining open issues and worked towards completing an agreed set of legal documents, including the Transaction Agreement, the proposed Constitution for Tronox Limited, the Shareholder s Deed with Exxaro, the Shareholder s Agreement between Exxaro and the South African Acquired Companies concerning the 26% ownership interest in such companies retained by Exxaro, and the terms of the Exchangeable Shares.

On September 23, 2011, the Tronox Incorporated board of directors held a special meeting at which it considered and approved the proposed transaction and the transaction agreements. At the meeting, Goldman Sachs and Moelis reviewed with the Tronox Incorporated board of directors their financial analysis of the proposed transaction, and each of Goldman Sachs and Moelis delivered its oral opinion to the Tronox Incorporated board of directors (each of which was subsequently confirmed by delivery of a written opinion) that, as of the date of its written opinion and based upon and subject to the factors and assumptions described therein, one Class A Share, which the financial advisors assumed, with the consent of the Tronox Incorporated board of directors, will constitute in the aggregate approximately 61.5% of the outstanding equity securities of Tronox Limited at completion of the Transaction, plus $12.50 in cash, per share of Tronox Incorporated common stock, which we refer to collectively as the Transaction Merger Consideration, to be paid to the holders (other than Exxaro and its affiliates) of outstanding shares of Tronox Incorporated common stock pursuant to the Transaction Agreement was fair from a financial point of view to such holders.

On September 23, 2011, Tronox Incorporated was informed that Exxaro s board of directors met and approved the proposed transaction and the transaction agreements, subject to resolution of the remaining open issues.

On the night of September 25, 2011, Tronox Incorporated, Exxaro and certain of their respective affiliates executed the Transaction Agreement, which included forms of the Constitution, the Shareholder s Deed, the South African shareholder agreement and terms sheets for additional agreements. The parties agreed on the final text of the press releases late that night and the proposed transaction was announced at 8:00am (South African time) on September 26, 2011.

Tronox Incorporated s Reasons for the Transaction; Recommendation of the Tronox Incorporated Board of Directors

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 thereby, 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 discussion of the 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 Additional Interests of Tronox Incorporated Executive Officers and Directors in the Transaction.

In evaluating the Transaction Agreement and Transaction, including the Mergers, the Tronox Incorporated board of directors consulted with Tronox Incorporated s management and legal and financial advisors, and considered a variety of factors with respect to the Transaction, including those matters discussed in Background of the Transaction. In view of the wide variety of factors considered in connection with the Transaction, the Tronox Incorporated board of directors did not consider it practical, nor did it attempt, to quantify or otherwise assign relative weight to different factors it considered in reaching its decision. In addition, individual members of the Tronox Incorporated board of directors may have given different weight to different factors. The Tronox Incorporated board of directors considered this information as a whole, and overall considered the information and the factors to be favorable to, and in support of, its determination and recommendations.

The material factors considered by the Tronox Incorporated board of directors were the following:

Security of titanium feedstock supply. The current market for titanium feedstock is very tight, especially for high-grade feedstocks. Moreover, the titanium feedstock supply deficits are expected to grow due to the depletion of legacy titanium ore bodies and lack of investment, as well as the high risk and long lead time (typically five to seven years) in starting new projects. As a result, titanium feedstock price volatility is expected to increase for TiO_2 producers as titanium feedstock suppliers achieve success in raising prices and changing prices more frequently. Raw material security is very important for TiO_2 producers in current economic conditions, and will be even more critical when economic conditions improve. The Tronox Incorporated board of directors believes that the Transaction should provide vertical integration of the existing TiO_2 business of Tronox Incorporated with the titanium feedstock supply from Exxaro Mineral Sands, providing New Tronox with increased assurance that it will have the supply of feedstock necessary to operate the pigment production facilities, giving rise to opportunities for cost savings and allowing New Tronox to capture value throughout the TiO_2 chain.

Solid Platform for Future Growth in TiO_2 Market. For TiO_2 producers, access to titanium feedstock is critical for any meaningful capacity increases. Most TiO_2 producers are currently limited in their ability to make significant capacity expansions to meet incremental demand due to the constrained titanium feedstock market. The Tronox Incorporated board of directors believes that New Tronox, with its assured titanium feedstock supply from Exxaro Mineral Sands, should be well positioned to increase TiO_2 capacity at the appropriate times based on market conditions.

Solid Platform for Future Growth in Zircon Market. The global demand for zircon continues to stay significantly higher than supply, and inventory throughout the supply chain is at historically low levels. Strong long-term demand for zircon is expected as a result of widespread urbanization, especially in developing economies such as China. Increased TiO_2 capacity should allow New Tronox to grow its zircon production and become a more prominent player in the zircon market.

Meaningful Operational Synergies. The Transaction is expected to generate meaningful operational synergies both in the near-term and in the medium term. The Tronox Incorporated board of directors expects that, in the near-term, the consolidation of the operations of the Tiwest Joint Venture under New Tronox should eliminate duplicate management structures. In addition the Transaction should allow New Tronox to rationalize selling, general and administrative expenses in marketing, supply chain and finance related to the South African operations. In this regard, the mineral sands operations have been charged approximately $20.8 million for corporate services from Exxaro that Tronox expects to provide. The Company also expects to achieve cost savings through improved logistics, particularly in connection with larger ore shipments. In the medium-term, the Transaction is expected to lead to optimization of titanium feedstock in-use through high grade titanium feedstock and cheaper slag fines, which could lead to significant cost advantages, including lower chlorine and coke costs and lower freight costs. The Transaction should also allow New Tronox to debottleneck with limited capital expenditures.

Flexible Capital Structure and Significant Free Cash Flow Generation. The Tronox Incorporated board of directors believes that the Transaction is based on a conservative pro forma capital structure. Tronox Limited is not expecting to incur any incremental debt in connection with the Transaction despite the increase in overall size and scale of its business and free cash flow as a result of the Transaction. The combination of limited incremental debt and increased business size, scale and free cash flow creates significant financial flexibility for New Tronox to finance its future activities from any combination of internal free cash flow and additional capital from the debt and equity capital markets. The expected future cash flow is expected to allow New Tronox to service its debt and give it additional financial flexibility to pay dividends consistent with peer companies, to return additional cash to shareholders through share repurchases, or to invest in its business (including through acquisitions). In addition, the Transaction is expected to be accretive to shareholders of Tronox Incorporated in 2012 on an annualized basis based on industry commodity price forecasts for titanium ore, TiO_2 pigment and zircon, adjusted to reflect existing contracts.

Preserve Existing Net Operating Losses and Other Tax Attributes. The Transaction is expected to allow New Tronox to retain the ability to use the tax attributes presently available to Tronox Incorporated, including pre-emergence historical net operating losses of approximately $143 million, deductions arising from the emergence of Tronox Incorporated from bankruptcy and potential future deductions relating to environmental remediation conducted by bankruptcy trusts, although the use of such net operating losses will be subject to significant annual limitations.

Financial Terms of the Transaction. Upon completion of the Transaction and assuming the exchange of all Exchangeable Shares, former Tronox Incorporated stockholders will own all of the Class A Shares, representing approximately 61.5% of the voting securities of Tronox Limited. The Tronox Incorporated board of directors believes that the approximately 61.5% interest in Tronox Limited retained by former Tronox Incorporated stockholders represents an attractive relative valuation of the assets of Tronox Incorporated as compared to the valuation of the assets of Exxaro Mineral Sands.

Liquidity for Tronox Incorporated Stockholders. The inclusion in the Transaction Consideration of cash in the amount of $12.50 per share of Tronox Incorporated common stock allows Tronox Incorporated stockholders to receive immediate liquidity with respect to a portion of their holdings. In addition, Tronox Limited expects the Class A Shares to be listed on   in connection with or as soon as practicable after completion of the Transaction. As a result, the Transaction represents an attractive route to liquidity for Tronox Incorporated stockholders.

Alternatives to the Transaction. The Transaction compared favorably to other strategic alternatives considered by the Tronox Incorporated board of directors, including a sale of the company, other possible business combinations and a stand-alone strategy. The board of directors discussed the potential benefits to Tronox Incorporated stockholders of these alternatives and the timing and likelihood of accomplishing the goals of such alternatives, as well as the board s assessment that none of these alternatives was reasonably likely to present superior opportunities for creating greater long-term value for stockholders of Tronox Incorporated at this time, taking into account risks of execution as well as business, competitive, industry, regulatory and market risks.

Due Diligence. The board of directors of Tronox Incorporated considered the scope of the due diligence investigation conducted by management and outside advisors on Exxaro Mineral Sands, and the results of such investigation.

Advantages of Australian Domicile. The Tronox Incorporated board of directors considered the fact that 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 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.

Opinions of Financial Advisors to Tronox Incorporated. Each of Tronox Incorporated s financial advisors, Goldman Sachs and Moelis, rendered an opinion to the board of directors of Tronox Incorporated that, as of the date of its written opinion and based upon and subject to the factors and assumptions described therein, the Transaction Merger Consideration to be received by the holders (other than Exxaro and its affiliates) of outstanding shares of Tronox Incorporated common stock pursuant to the Transaction Agreement was fair from a financial point of view to such holders. The full text of the written opinions of Goldman Sachs and Moelis, each dated September 25, 2011, which set forth assumptions made, procedures followed, matters considered, and limitations on the review undertaken in connection with each such opinion, are included as exhibits to the registration statement of which this proxy statement/prospectus forms a part. The opinions of Goldman Sachs and Moelis are more fully described in this document under the heading The Transaction Opinions of Financial Advisors to Tronox Incorporated. Even though there has been a change in the transaction structure (from a one-merger structure contemplated by the original Transaction Agreement to a two-merger structure in the Amended and Restated Transaction Agreement) after the delivery of the financial advisors opinions, the board of directors of Tronox Incorporated does not view such change as a material change of the assumptions upon which the financial advisors based their opinions. The aggregate effect of the two Mergers contemplated by the Amended and Restated Transaction Agreement is the same as the effect of the single merger contemplated by the original Transaction Agreement. Specifically, the consideration that Tronox Incorporated stockholders will receive after the consummation of the two Mergers is exactly the same as the consideration that they will receive in the single merger contemplated by the original Transaction Agreement, and the relative ownership in Tronox Limited by Exxaro and former stockholders of Tronox Incorporated under the two-merger structure is exactly the same as the relative ownership contemplated under the one-merger structure.

Terms of the Transaction Agreement. The board of directors of Tronox Incorporated considered the terms of the Transaction Agreement, including the representations, obligations and rights of the parties under the Transaction Agreement, post-closing indemnification obligations of the parties, the conditions to each party s obligation to complete the Transaction, requisite regulatory approvals and possible conditions to such approvals, the circumstances in which each party is permitted to terminate the Transaction Agreement, the $20.0 million termination fee payable by Tronox Incorporated under certain circumstances and the ability of the board of directors of Tronox Incorporated to change its recommendation of the Transaction if failure to do so will be inconsistent with its fiduciary duties. See Description of the Transaction Documents The Transaction Agreement.

Likelihood of Completion of the Transaction. The Tronox Incorporated board of directors also considered the likelihood that the Transaction will be completed on a timely basis, including the likelihood that the Merger Proposal will receive required approval from the stockholders of Tronox Incorporated and all necessary regulatory approvals and third party consents without unacceptable conditions.

Governance of Tronox Limited. The Tronox Incorporated board of directors considered the terms of the proposed Constitution for Tronox Limited, and the changes in corporate governance of Tronox Limited. Following completion of the Transaction, the board of directors of Tronox Limited will be composed of six Class A directors elected by holders of Class A Shares, and three Class B directors elected by Exxaro. Certain significant corporate transactions and other matters will require the supermajority approval by six of the nine directors at the board level. Therefore, the Class B directors alone will not be able to veto most matters subject to board approval, if all Class A directors vote in favor of such matter. In addition, the Tronox Limited board of directors will have a special committee comprised solely of Class A directors who are not otherwise affiliated with New Tronox or Exxaro to address all transactions and disputes between New Tronox and Exxaro, including disputes arising under the Transaction Agreement. See The Transaction The Governance of Tronox Limited Following Completion of the Transaction.

Exxaro s Standstill and Lockup Agreement. Under the proposed Shareholder s Deed, Exxaro will agree that for three years after completion of the Transaction, it will not engage in any transaction or other action, either alone or together with other parties, that would result in its beneficial ownership of the voting stock of Tronox Limited exceeding 45.0% of the total issued shares of Tronox Limited, nor will it sell any of the Class B Shares owned by it, subject to limited exceptions. After the expiration of such three-year standstill period, Exxaro may acquire additional shares in Tronox Limited in excess of 45.0% of the total issued shares of Tronox Limited, but it can only increase its stake above 50.0%

either through a negotiated transaction with the Tronox Limited board of directors, or by making an offer for all of the outstanding shares of New Tronox, which offer is accepted by a majority of the unaffiliated shareholders of Tronox Limited. See Description of the Transaction Documents Shareholder s Deed.

Ability to Elect to Receive Exchangeable Shares. In the opinion of our U.S. tax counsel, Kirkland & Ellis LLP, any Tronox Incorporated stockholder who is a U.S. person for U.S. federal income tax purposes will recognize gain or loss as a result of the receipt of Class A Shares and cash in connection with the Mergers. However, the Transaction Agreement gives Tronox Incorporated stockholders the ability to elect to receive Exchangeable Shares, which should allow them to defer such recognition of gain or loss until their Exchangeable Shares are exchanged for Class A Shares and cash.

Dissenters Rights. The availability of dissenters rights for stockholders who did not vote in favor of the Merger Proposal and who otherwise comply with all of the procedural requirements under the DGCL, which allows such stockholders to demand appraisal of their shares of Tronox Incorporated common stock.

Impact of the Transaction on Customers, Employees and Suppliers. The Tronox Incorporated board of directors evaluated the potential impact of the Transaction on Tronox Incorporated s customers, employees and suppliers. The board does not expect the Transaction to have any material impact on customers, employees or suppliers in the short term. In the long term, the Transaction is expected to allow New Tronox to better serve the needs of its customers.

The board of directors of Tronox Incorporated weighed the foregoing factors against the following negative considerations:

Number of Class B Shares To Be Issued to Exxaro. 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. The board of directors determined that the method for determining the number of Class B Shares to be issued to Exxaro was appropriate and the risks acceptable in view of the relative intrinsic values and financial performance of Tronox Incorporated and Exxaro Mineral Sands, and the percentage of the outstanding shares of Tronox Limited to be owned by Exxaro. The board of directors also noted the inclusion in the Transaction Agreement of certain structural protections such as the ability of Tronox Incorporated to not complete the Transaction in the event of a material adverse change in Exxaro Mineral Sands or Exxaro s other businesses.

Regulatory Approvals and Third Party Consents. Various regulatory approvals and third party consents in a number of countries are required to complete the Transaction, which presents a risk that the applicable governmental authorities and other third parties may seek to impose unfavorable terms or conditions on the required approvals or that such approvals and consents will not be able to be obtained.

Failure to Close. There are risks and contingencies relating to the announcement and pendency of the Transaction and risks and costs to Tronox Incorporated if the closing of the Transaction is not timely, or if the Transaction does not close at all, including the potential impact on the relationships between Tronox Incorporated and its employees, customers, suppliers and other third parties.

Non-solicitation Obligation and Termination Fee. The Transaction Agreement prohibits each of Tronox Incorporated and Exxaro from soliciting or engaging in discussions of any alternative transactions during the pendency of the Transaction. The Transaction Agreement also requires the payment by Tronox Incorporated of a termination fee of $20.0 million to Exxaro if the Transaction Agreement is terminated under certain circumstances. See Description of the Transaction Documents The Transaction Agreement Termination Fee.

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Exxaro s Ownership Interest and Governance Rights. Following completion of the Transaction, Exxaro and one of its subsidiaries will own approximately 38.5% of the issued shares of New Tronox, making it the largest shareholder of Tronox Limited. Exxaro will be entitled to elect a specified number of members of the Tronox Limited board of directors and receive other governance rights pursuant to the Shareholder s Deed. As a result, Exxaro will have the ability to exert significant influence over the corporate policies of Tronox Limited. In addition, for as long as the Class B Shares held by Exxaro represent at least 20.0% of the voting securities of Tronox Limited, any change of control transaction involving Tronox Limited will require a separate class vote by holders of Class A Shares and Class B Shares, which could have the effect of discouraging third parties that would otherwise be interested in a business combination with Tronox Limited from proposing such a transaction.

Illiquidity of Exchangeable Shares. The Exchangeable Shares are non-transferrable until after December 31, 2012. Therefore, Tronox Incorporated stockholders who elect to receive Exchangeable Shares will not be able to sell such shares until they are exchanged for Class A Shares and cash in accordance with its terms.

Ownership Change under Section 382 of the Internal Revenue Code. The Transaction may result in an ownership change for purposes of Section 382 of the Internal Revenue Code, which would impose an annual limitation on the ability of Tronox Incorporated to utilize its pre-emergence NOLs. The amount of such limitation will depend on the value of Tronox Incorporated common stock at closing and on the long-term tax-exempt interest rate on the closing date. While the amount of the annual limitation cannot be determined at this time, the limitation is not expected to have a significant impact, on a net present value basis, on New Tronox s tax attributes.

Change of Domicile to Australia. The Transaction will result in a change of domicile of the parent company in which Tronox Incorporated s stockholders hold their interest from Delaware to Australia. New Tronox will be subject to the regulatory and legislative environment in Australia to a much greater extent than Tronox Incorporated currently is. Because of the differences between Delaware law and Australian law and the differences between the governing documents of Tronox Incorporated and Tronox Limited, the rights of Tronox Incorporated stockholders will change substantially. However, the Tronox Incorporated board of directors determined that benefits of a change of domicile to Australia outweighed any potential detriments resulting from the differences in the legal or regulatory environment of the two countries. For further information, see Comparative Rights of Stockholders of Tronox Incorporated and Shareholders of Tronox Limited.

Regulatory Regime in South Africa. As a result of the acquisition of Exxaro Mineral Sands, New Tronox will have substantial operations in South Africa and become subject to the regulatory and legislative regime in South Africa, including the BEE legislation.

Restrictions on Interim Operations. The provisions of the Transaction Agreement place certain restrictions on the operations of Tronox Incorporated until completion of the Transaction. For further information, see Description of the Transaction Documents The Transaction Agreement Interim Operating Covenants of Tronox and Exxaro.

Transaction Cost. Substantial costs will be incurred in connection with the Transaction, including the costs of integrating the existing business of Tronox Incorporated with Exxaro Mineral Sands.

Diversion of Focus; Integration. There is a risk that management focus, employee attention and resources for other strategic opportunities could be diverted and employee attention to operational matters could be distracted while working to complete the Transaction. In addition, there are challenges inherent in the combination of two business enterprises, including the possibility the anticipated cost savings and synergies and other benefits sought to be obtained from the Transaction might not be achieved in the time frame contemplated or at all.

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Interests of Directors and Officers. The interests that certain executive officers and directors of Tronox Incorporated may have with respect to the Transaction in addition to their interests as stockholders of Tronox. See The Transaction Additional Interests of Tronox s Executive Officers and Directors in the Transaction.

Compensation of Financial Advisors. The Tronox Incorporated board of directors selected Goldman Sachs and Moelis as financial advisors to the board and the strategic committee because of their expertise, reputation and familiarity with the industries in which Tronox operates, and because their investment banking professionals have substantial experience in transactions that are comparable to the Transaction. The board considered the fact that a substantial portion of the payment for Goldman Sachs s services (including its opinion) is conditioned upon completion of the Transaction and the payment for Moelis s services (including its opinion) is entirely conditioned upon completion of the Transaction. However, after considering the qualifications and reputation of Goldman Sachs and Moelis, the board decided that it could rely on the respective opinions of Goldman Sachs and Moelis, notwithstanding the contingent nature of their fees.

Other Risks Considered. The Tronox Incorporated board of directors also considered the types and nature of the risks described under the section entitled, Risk Factors.

Opinions of Financial Advisors to Tronox Incorporated

Opinion of Goldman Sachs

Goldman Sachs rendered to the board of directors of Tronox Incorporated its oral opinion, subsequently confirmed in writing, that, as of September 25, 2011, and based upon and subject to the limitations and assumptions set forth therein, the Transaction Merger Consideration to be paid to the holders (other than Exxaro and its affiliates) of outstanding shares of Tronox Incorporated common stock pursuant to the Transaction Agreement was fair from a financial point of view to such holders. Goldman Sachs provided no opinion with respect to (i) the procedures, limitations and elections regarding the Exchangeable Shares, (ii) the mechanism by which Exxaro s retained 26.0% ownership interest in the South African Acquired Companies may be exchanged for additional Class B Shares of Tronox Limited or (iii) the purchase price adjustments to be made on and following the closing date.

The full text of the written opinion of Goldman Sachs, dated September 25, 2011, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is included as Annex B to this proxy statement/prospectus. Goldman Sachs provided its opinion for the information and assistance of Tronox Incorporated s board of directors in connection with its consideration of the Transaction. The Goldman Sachs opinion is not a recommendation as to how any holder of shares of Tronox Incorporated s common stock should vote or make any election with respect to the Transaction or any other matter.

In connection with rendering the opinion described above and performing its related financial analyses, Goldman Sachs reviewed, among other things:

- the Transaction Agreement;
- annual reports to stockholders and Annual Reports on Form 10-K of Tronox Incorporated for the fiscal year ended December 31, 2007;
- drafts of unaudited financial statements of Tronox Incorporated for the fiscal years ended December 31, 2008 and December 31, 2009;
- audited financial statements of Tronox Incorporated for the fiscal year ended December 31, 2010;

unaudited financial statements of Tronox Incorporated for the six-month period ended June 30, 2011;

certain business and financial information relating to Exxaro and to Exxaro Mineral Sands prepared by Exxaro s management;

certain other communications from Tronox Incorporated to its stockholders;

certain publicly available research analyst reports for Tronox Incorporated and Exxaro; and

certain internal financial analyses, projections and forecasts for Tronox Incorporated and Tronox Limited prepared by Tronox Incorporated s management and for Exxaro Mineral Sands prepared by Exxaro s management and adjusted by Tronox Incorporated s management, in each case, as approved for Goldman Sachs and Moelis use by Tronox Incorporated, which we refer to as the Forecasts, including certain cost savings and operating synergies projected by the management of Tronox Incorporated to result from the Transaction, as approved for Goldman Sachs and Moelis use by Tronox Incorporated, which we refer to as the Synergies.

Goldman Sachs also held discussions with members of the senior managements of Tronox Incorporated and Exxaro regarding their assessment of the strategic rationale for, and the potential benefits of, the Transaction and the past and current business operations, financial condition, and future prospects of Tronox Incorporated, Exxaro Mineral Sands and Tronox Limited; compared certain information for Tronox Incorporated and Exxaro with similar financial and stock market information for certain other companies the securities of which are publicly traded; and performed such other studies and analyses, and considered such other factors, as it deemed appropriate.

For purposes of rendering the opinion described above, Goldman Sachs relied upon and assumed, without assuming any responsibility for independent verification, the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by, it. In that regard, Goldman Sachs assumed, with the consent of Tronox Incorporated s board of directors, that the Forecasts, including the Synergies, were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Tronox Incorporated and that the drafts of the unaudited financial statements of Tronox Incorporated for the fiscal years ended December 31, 2008 and December 31, 2009 provided to it were prepared in accordance with GAAP (as defined in the Transaction Agreement). Goldman Sachs did not make an independent evaluation, appraisal or geological or technical assessment of the assets and liabilities (including any contingent, derivative or other off-balance-sheet assets and liabilities) of Tronox Incorporated or Exxaro or any of their respective subsidiaries, nor was any evaluation, appraisal or geological or technical assessment of the assets or liabilities of Tronox Incorporated or Exxaro or any of their respective subsidiaries furnished to Goldman Sachs. Goldman Sachs assumed that all governmental, regulatory or other consents and approvals necessary for completion of the Transaction will be obtained without any adverse effect on Tronox Incorporated, Tronox Limited or Exxaro Mineral Sands or on the expected benefits of the Transaction in any way meaningful to its analysis. Goldman Sachs has also assumed that the Transaction will be completed on the terms set forth in the Transaction Agreement, without the waiver or modification of any term or condition the effect of which would be in any way meaningful to its analysis.

Goldman Sachs opinion does not address the underlying business decision of Tronox Incorporated to engage in the Transaction, or the relative merits of the Transaction as compared to any strategic alternatives that may be available to Tronox Incorporated; nor does it address any legal, regulatory, tax or accounting matters. Goldman Sachs was not authorized to and did not solicit indications of interest in a possible transaction with Tronox Incorporated from any party. Goldman Sachs opinion addresses only the fairness from a financial point of view, as of September 25, 2011, of the Transaction Merger Consideration to be paid to the holders (other than Exxaro and its affiliates) of outstanding shares of Tronox Incorporated common stock pursuant to the Transaction Agreement. Goldman Sachs opinion does not express any view on, and does not address, any other term or aspect of the Transaction Agreement or the Transaction or any term or aspect of any other agreement or instrument contemplated by the Transaction Agreement or entered into or amended in connection with the Transaction, including, without limitation, any ongoing obligations of Tronox Limited, the fairness of the

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Transaction to, or any consideration received in connection therewith by, the holders of any other class of securities, creditors, or other constituencies of Tronox Incorporated; nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of Tronox Incorporated, or class of such persons, in connection with the Transaction, whether relative to the Transaction Merger Consideration to be paid to the holders (other than Exxaro and its affiliates) of outstanding shares of Tronox Incorporated common stock pursuant to the Transaction Agreement or otherwise. Goldman Sachs opinion does not express any opinion as to the prices at which Class A Shares will trade at any time or as to the impact of the Transaction on the solvency or viability of Tronox Incorporated, Exxaro or Tronox Limited or the ability of Tronox Incorporated, Exxaro or Tronox Limited to pay their respective obligations when they come due. Goldman Sachs opinion was necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to it as of, the date of the opinion and Goldman Sachs assumed no responsibility for updating, revising or reaffirming its opinion based on circumstances, developments or events occurring after the date of its opinion. Goldman Sachs opinion was approved by a fairness committee of Goldman Sachs.

Goldman Sachs and its affiliates are engaged in investment banking and financial advisory services, commercial banking, securities trading, investment management, principal investment, financial planning, benefits counseling, risk management, hedging, financing, brokerage activities and other financial and non-financial activities and services for various persons and entities. In the ordinary course of these activities and services, Goldman Sachs and its affiliates may at any time make or hold long or short positions and investments, as well as actively trade or effect transactions, in the equity, debt and other securities (or related derivative securities) and financial instruments (including bank loans and other obligations) of Tronox Incorporated, Exxaro and any of their respective affiliates and third parties or any currency or commodity that may be involved in the Transaction for their own account and for the accounts of their customers. Goldman Sachs acted as financial advisor to Tronox Incorporated in connection with, and participated in certain of the negotiations leading to, the Transaction. Goldman Sachs has provided certain investment banking services to Tronox Incorporated and its affiliates from time to time for which the Investment Banking Division of Goldman Sachs has received, and may receive, compensation, including having acted as sole lead arranger and sole bookrunner with respect to a $425.0 million term loan facility provided to Tronox Incorporated in December 2009 and an amendment thereto in June 2010 and sole lead arranger and sole bookrunner with respect to a $425.0 million term loan facility provided to Tronox Incorporated in October 2010 and an amendment thereto in June 2011. During the two year period ended September 25, 2011, the Investment Banking Division of Goldman Sachs has received compensation for services provided to Tronox Incorporated and its affiliates of approximately $27 million. At Tronox Incorporated s request, an affiliate of Goldman Sachs entered into financing commitments to provide Tronox Incorporated with a term loan in connection with completion of the Transaction, subject to the terms of such commitments, and pursuant to which one or more affiliates of Goldman Sachs will receive fees of approximately $11 million. Goldman Sachs may also in the future provide investment banking services to Tronox Incorporated, Exxaro, Tronox Limited and their respective affiliates for which its Investment Banking Division may receive compensation.

The board of directors of Tronox Incorporated selected Goldman Sachs as its financial advisor because it is an internationally recognized investment banking firm that has substantial experience in transactions similar to the Transaction. Pursuant to a letter agreement dated May 10, 2011, Tronox Incorporated engaged Goldman Sachs to act as its financial advisor in connection with the Transaction. Pursuant to the terms of this engagement letter, Tronox Incorporated has agreed to pay Goldman Sachs a transaction fee of $9.0 million, $2.0 million of which was payable upon signing of the Transaction Agreement and the remainder of which is payable upon completion of the Transaction. In addition, Tronox Incorporated has agreed to reimburse Goldman Sachs for its expenses, including attorneys fees and disbursements, and to indemnify Goldman Sachs and related persons against certain liabilities that may arise out of its engagement.

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Opinion of Moelis

At the meeting of Tronox Incorporated s board of directors on September 23, 2011, Moelis delivered its oral opinion, which was later confirmed in writing, that based upon and subject to the conditions and limitations set forth in its written opinion, as of September 25, 2011, the Transaction Merger Consideration to be received by the holders of outstanding shares of Tronox Incorporated common stock in the Transaction was fair from a financial point of view to such holders, other than Exxaro and its affiliates. Moelis provided no opinion with respect to (i) the election, procedures and limitations regarding the Exchangeable Shares, (ii) the mechanism by which Exxaro s retained 26.0% ownership interest in the South African acquired companies may be exchanged for additional Class B Shares of Tronox Limited or (iii) the purchase price adjustments to be made on and following the closing date.

The full text of Moelis written opinion dated September 25, 2011, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is included as Annex C to this proxy statement/prospectus. The Tronox Incorporated stockholders are urged to read Moelis written opinion carefully and in its entirety. The following is a summary of the material financial analyses underlying Moelis written opinion, a copy of which is attached as an exhibit to the registration statement of which this proxy statement/prospectus forms a part. Moelis opinion is limited solely to the fairness of the Transaction Merger Consideration from a financial point of view as of the date of the opinion and does not address Tronox Incorporated s underlying business decision to effect the Transaction or the relative merits of the Transaction as compared to any alternative business strategies or transactions that might be available to Tronox Incorporated. Moelis opinion does not constitute a recommendation to any stockholder of Tronox Incorporated as to how such stockholder should vote or make any election with respect to the Transaction or any other matter. Moelis opinion was approved by a Moelis fairness opinion committee.

In arriving at its opinion, Moelis, among other things:

- reviewed the annual report to stockholders and Annual Report on Form 10-K of Tronox Incorporated for the fiscal year ended December 31, 2007, drafts of the unaudited financial statements of Tronox Incorporated for the fiscal years ended December 31, 2008 and December 31, 2009, the audited financial statements of Tronox Incorporated for the fiscal year ended December 31, 2010 and the unaudited financial statements of Tronox Incorporated for the six-month period ended June 30, 2011;

- reviewed certain business and financial information relating to Exxaro and Exxaro Mineral Sands prepared by Exxaro s management and furnished to Moelis by Tronox Incorporated;

- reviewed the Forecasts and the Synergies;

- conducted discussions with members of senior management and representatives of Tronox Incorporated and Exxaro concerning the matters described in the foregoing, as well as Tronox Incorporated s and Tronox Limited s respective businesses and prospects before and after giving effect to the Transaction and the Synergies;

- reviewed certain data for Tronox Incorporated and Exxaro and compared them with publicly available financial and stock market data of certain other companies that Moelis deemed relevant;

- considered certain potential pro forma effects of the Transaction;

- reviewed the Transaction Agreement;

participated in certain discussions and negotiations among representatives of Tronox Incorporated and Exxaro and their financial and legal advisors; and

conducted such other financial studies and analyses and took into account such other information as Moelis deemed appropriate.

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In connection with its review, Moelis did not assume any responsibility for independent verification of any of the information supplied to, discussed with, or reviewed by Moelis for the purpose of its opinion and has, with the consent of the board of directors of Tronox Incorporated, relied on such information being complete and accurate in all material respects. In addition, at the direction of the board of directors of Tronox Incorporated, Moelis did not make any independent evaluation, appraisal or geological or technical assessment of any of the assets or liabilities (contingent, derivative, off-balance-sheet, or otherwise) of Tronox Incorporated or Exxaro, nor was Moelis furnished with any such evaluation, appraisal or assessment. With respect to the Forecasts and Synergies referred to above, Moelis assumed, at the direction of the board of directors of Tronox Incorporated, that such Forecasts and Synergies were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Tronox Incorporated as to the future performance of Tronox Incorporated, Exxaro Mineral Sands and Tronox Limited and that such future financial results will be achieved at the times and in the amounts projected by management. With respect to the drafts of the unaudited financial statements of Tronox Incorporated for the fiscal years ended December 31, 2008 and December 31, 2009, Moelis assumed, with the consent of the board of directors of Tronox Incorporated, that they were prepared in accordance with GAAP.

Moelis opinion is necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to Moelis as of, the date of the opinion. Developments after the date of Moelis opinion may affect the opinion and the assumptions used in preparing it, and Moelis has not assumed any obligation to update, revise or reaffirm its opinion. Moelis assumed, with the consent of the board of directors of Tronox Incorporated, that all governmental, regulatory or other consents and approvals necessary for completion of the Transaction would be obtained without the imposition of any delay, limitation, restriction, divestiture or condition that would have an adverse effect on Tronox Incorporated or Tronox Limited or Exxaro Mineral Sands or on the expected benefits of the Transaction.

Moelis opinion was prepared for the use and benefit of the board of directors of Tronox Incorporated in its evaluation of the Transaction. Moelis was not asked to address, and its opinion does not address, the fairness to, or any other consideration of, the holders of any class of securities, creditors or other constituencies of Tronox Incorporated, other than the holders of Tronox Incorporated common stock. In addition, Moelis opinion does not express any opinion as to any ongoing obligations of Tronox Limited or the fairness of the amount or nature of any compensation to be received by any of Tronox Incorporated s officers, directors or employees, or any class of such persons, relative to the Transaction Merger Consideration. At the direction of the board of directors of Tronox Incorporated, Moelis was not asked to, and did not, offer any opinion as to the material terms of the Transaction Agreement or the form of the Transaction. Moelis opinion does not express any opinion as to what the value of Tronox Limited shares will be when issued pursuant to the Transaction Agreement or the prices at which such shares will trade in the future. Moelis was not authorized to and did not solicit indications of interest in a possible transaction with Tronox Incorporated from any party.

Moelis acted as financial advisor to Tronox Incorporated in connection with the Transaction and will receive a transaction fee of 0.245% of the aggregate consideration to be paid by Tronox Incorporated to Exxaro in the Transaction. Using the price of Tronox Incorporated common stock on January 31, 2011 of $144.25, Moelis fee would have been approximately $3.5 million, all of which is contingent upon completion of the Transaction. In addition, Tronox Incorporated has agreed to reimburse Moelis expenses and indemnify Moelis for certain liabilities arising out of its engagement. In the ordinary course of business, Moelis affiliates, employees, officers and partners may trade securities of Tronox Incorporated or Exxaro for their own accounts and the accounts of their customers and, accordingly, may at any time hold a long or short position in such securities.

The board of directors of Tronox Incorporated selected Moelis as its financial advisor in connection with the Transaction because Moelis has substantial experience in similar transactions. Moelis is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, strategic transactions, corporate restructurings, and valuations for corporate and other purposes.

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Financial Analyses by Financial Advisors

The following is a summary of the material financial analyses jointly delivered by Goldman Sachs and Moelis, which we refer to collectively as the financial advisors, to the board of directors of Tronox Incorporated in connection with rendering their respective opinions described above, copies of which are attached as exhibits to the registration statement of which this proxy statement/prospectus forms a part. The order of analyses does not represent the relative importance or weight given to those analyses by the financial advisors. Some of the summaries of the financial analyses include information presented in tabular format. In order to fully understand the financial analyses by the financial advisors, the tables must be read together with the full text of each summary and are alone not a complete description of the financial advisors financial analyses. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before September 22, 2011 and is not necessarily indicative of current market conditions.

Illustrative Discounted Cash Flow Analysis. The financial advisors performed illustrative discounted cash flow analyses for Tronox Incorporated, Exxaro Mineral Sands and Tronox Limited using the Forecasts. In connection with performing this analysis, the financial advisors also reviewed certain financial information for the following companies (collectively, the selected companies): (a) Amcol International Corp., Celanese Corp., Compass Minerals International Inc., Eastman Chemical Co., Huntsman Corp., Innophos Holdings, Inc., Kraton Performance Polymers, Inc., Kronos Worldwide, Inc., Minerals Technologies Inc. and OM Group, Inc., which exhibited certain similar business characteristics to Tronox Incorporated and the pigment operations of the Tiwest Joint Venture (collectively, the selected differentiated chemical companies), and (b) Georgia Gulf Corporation, LyondellBasell Industries N.V., Olin Corporation and Westlake Chemical Corp., which exhibited certain similar business characteristics to Tronox Incorporated and the pigment operations of the Tiwest Joint Venture (collectively, the selected commodity chemical companies), and (c) Exxaro Resources Limited, Iluka Resources Limited and Kenmare Resources plc, which exhibited certain similar business characteristics to the mining operations of Exxaro Mineral Sands and the Tiwest Joint Venture (collectively, the selected mineral sands companies).

Tronox Incorporated. The financial advisors calculated indications of net present values of free cash flows for Tronox Incorporated s operations and the pigment operations of the Tiwest Joint Venture for the second half of fiscal year 2011 through fiscal year 2020 and for the mining operations of the Tiwest Joint Venture for the estimated remaining life of such mining operations, as estimated by Tronox Incorporated management. For this analysis, the financial advisors utilized 50.0% of the free cash flows for the Tiwest Joint Venture, reflecting Tronox Incorporated s 50.0% equity interest in the Tiwest Joint Venture. The financial advisors then calculated illustrative terminal values in the year 2020 for Tronox Incorporated s operations and the pigment operations of the Tiwest Joint Venture based on multiples of enterprise value to earnings before interest, taxes, depreciation and amortization (EBITDA) ranging from 4.5x EBITDA to 6.5x EBITDA. The EBITDA multiples were selected by the financial advisors utilizing their experience and professional judgment, taking into account several factors, including analysis of the one-year forward EBITDA multiples of the differentiated chemical companies. The cash flows and illustrative terminal values for Tronox s operations and the pigment operations of the Tiwest Joint Venture and the cash flows for the mining operations of the Tiwest Joint Venture were then discounted to calculate implied indications of net present values using illustrative discount rates ranging from 9.5% to 11.5% for Tronox Incorporated (excluding the Tiwest Joint Venture) and 10.0% to 12.0% for the Tiwest Joint Venture, reflecting estimates of the weighted average cost of capital for Tronox Incorporated (excluding the Tiwest Joint Venture) and the Tiwest Joint Venture, respectively. The ranges of discount rates were derived by the financial advisors utilizing the capital asset pricing model, which takes into account certain financial metrics, including betas, for the selected companies, as well as certain financial metrics for the United States, Australia and South Africa financial markets generally. A price to net asset value ratio of 0.9x to 1.1x was then applied to the implied indications of net present values for the mining operations of the Tiwest Joint Venture. The price to net asset value ratios were derived by the financial advisors utilizing their experience and professional judgment, taking into account several factors, including analysis of the price to net asset value ratios of the selected mineral sands companies. This analysis resulted in a range of illustrative enterprise values of $2,625.0 million to $3,328.0 million for Tronox Incorporated (inclusive of its 50.0% equity interest in the Tiwest Joint Venture).

The financial advisors then calculated indications of net present values of free cash flows for Tronox Incorporated s tax attributes as provided in the Forecasts. The value of the tax attributes were discounted to calculate a range of illustrative indications of net present values using illustrative discount rates ranging from 9.5% to 11.5%, reflecting estimates of Tronox Incorporated s weighted average cost of capital.

The financial advisors then obtained implied equity values for Tronox Incorporated using the range of illustrative enterprise values and subtracting net debt and adding the range of illustrative indications of net present values of tax attributes. This analysis resulted in a range of illustrative value indications of $163 to $209 per share of Tronox Incorporated common stock.

Exxaro Mineral Sands. The financial advisors calculated indications of net present values of free cash flows for the pigment operations of the Tiwest Joint Venture for the second half of fiscal year 2011 through fiscal year 2020 and for the mining operations of Exxaro Mineral Sands and the Tiwest Joint Venture for the estimated remaining life of each such mining operation, as estimated by Tronox Incorporated management. For this analysis, the financial advisors utilized 50.0% of the free cash flows for the Tiwest Joint Venture, reflecting Exxaro s 50.0% equity interest in the Tiwest Joint Venture. The financial advisors then calculated illustrative terminal values in the year 2020 for the pigment operations of the Tiwest Joint Venture based on multiples of enterprise value to EBITDA ranging from 4.5x EBITDA to 6.5x EBITDA. The EBITDA multiples were selected by the financial advisors utilizing their experience and professional judgment, taking into account several factors, including analysis of the one-year forward EBITDA multiples of the selected differentiated chemical companies. The cash flows and illustrative terminal values for the pigment operations of the Tiwest Joint Venture and the cash flows for the mining operations of Exxaro Mineral Sands and the Tiwest Joint Venture were then discounted to calculate implied indications of net present values using illustrative discount rates ranging from 13.0% to 15.0% for Exxaro Mineral Sands (excluding the Tiwest Joint Venture) and 10.0% to 12.0% for the Tiwest Joint Venture, reflecting estimates of the weighted average cost of capital for Exxaro Mineral Sands (excluding the Tiwest Joint Venture) and the Tiwest Joint Venture, respectively. The ranges of discount rates were derived by the financial advisors utilizing the capital asset pricing model, which takes into account certain financial metrics, including betas, for the selected companies, as well as certain financial metrics for the United States, Australia and South Africa financial markets generally. A price to net asset value ratio of 0.9x to 1.1x. was then applied to the implied indications of net present values for the mining operations of Exxaro Mineral Sands and the Tiwest Joint Venture. The price to net asset value ratios were derived by the financial advisors utilizing their experience and professional judgment, taking into account several factors, including analysis of the price to net asset value ratios of the selected mineral sands companies. This analysis resulted in a range of illustrative enterprise values of $3,261.0 million to $4,375.0 million for Exxaro Mineral Sands (inclusive of its 50.0% equity interest in the Tiwest Joint Venture).

Tronox Limited. The financial advisors calculated indications of net present values of free cash flows for Tronox Incorporated s pigment operations for the second half of fiscal year 2011 through fiscal year 2020 and for the mining operations of Tronox Incorporated for the estimated remaining life of each such mining operation of Tronox Limited, as estimated by Tronox Incorporated management, taking into account the Synergies that may be realized following the Transaction. The financial advisors then calculated illustrative terminal values in the year 2020 for Tronox Limited s pigment operations based on multiples of enterprise value to EBITDA ranging from 4.5x EBITDA to 6.5x EBITDA. The EBITDA multiples were selected by the financial advisors utilizing their experience and professional judgment, taking into account several factors, including analysis of the one-year forward EBITDA multiples of the selected differentiated chemical companies. The cash flows and illustrative terminal values for Tronox Limited s pigment operations and the cash flows for Tronox Limited s mining operations were then discounted to calculate implied indications of net present values using illustrative discount rates ranging from:

- 9.5% to 11.5% for Tronox Incorporated excluding the Tiwest Joint Venture, reflecting estimates of Tronox s weighted average cost of capital;

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13.0% to 15.0% for Exxaro Mineral Sands excluding the Tiwest Joint Venture, reflecting estimates of Exxaro Mineral Sands s weighted average cost of capital; and

10.0% to 12.0% for the Tiwest Joint Venture, reflecting estimates of the Tiwest Joint Venture s weighted average cost of capital. The ranges of discount rates were derived by the financial advisors utilizing the capital asset pricing model, which takes into account certain financial metrics, including betas, for the selected companies, as well as certain financial metrics for the United States, Australia and South Africa financial markets generally. A price to net asset value ratio of 0.9x to 1.1x was then applied to the implied indications of net present values for the mining operations of Tronox Limited. The price to net asset value ratios were derived by the financial advisors utilizing their experience and professional judgment, taking into account several factors, including analysis of the price to net asset value ratios of the selected mineral sands companies. This analysis resulted in a range of illustrative enterprise values for Tronox Limited from which the financial advisors obtained implied equity values by subtracting net debt, adding the indications of net present values of tax attributes of Tronox Incorporated, and subtracting the illustrative implied value of Exxaro s retained 26.0% interest in the South African Acquired Companies. This analysis resulted in a range of illustrative value indications of $213 to $285 per Class A Share of Tronox Limited.

Potential Total Value to Tronox Incorporated Stockholders. The financial advisors calculated illustrative total value to be received by the Tronox Incorporated stockholders in the Transaction by using the range of illustrative value indications of $213 to $285 per Class A Share of Tronox Limited determined using discounted cash flow analysis as described above and adding the cash portion of the Transaction Merger Consideration of $12.50 per share. This calculation resulted in a range of illustrative value indications of $225 to $298 for the Transaction Merger Consideration, which represents a premium of 37.9% to 42.1% over the range of illustrative stand-alone discounted cash flow value indications of $163 to $209 per share of Tronox Incorporated common stock determined using discounted cash flow analysis as described above.

Contribution Analysis. The financial advisors compared the relative estimated equity value contribution of Tronox Incorporated and Exxaro Mineral Sands to Tronox Limited following completion of the Transaction before taking into account any of the possible benefits that may be realized following the Transaction in respect of the implied equity ownership in Tronox Limited by each of Tronox Incorporated and Exxaro. Using the Forecasts, the financial advisors obtained implied equity values for Tronox Incorporated and Exxaro Mineral Sands by, in the case of Tronox Incorporated, subtracting net debt of $383.0 million, adding the indications of net present values of tax attributes of, in the case of an illustrative enterprise value of Tronox Incorporated of $2,625.0 million, $360.0 million and, in the case of an illustrative enterprise value of $3,328.0 million, $389.0 million and subtracting the aggregate cash portion of the Transaction Merger Consideration payable in the Transaction of $190.0 million and, in the case of Exxaro Mineral Sands, subtracting the illustrative implied value of its retained 26.0% interest in the South African acquired companies of, in the case of an illustrative enterprise value of Exxaro Mineral Sands of $3,261.0 million, $542.0 million and, in the case of an illustrative enterprise value of $4,375.0 million, $737.0 million, all of which amounts were provided in the Forecasts, from the ranges of illustrative enterprise values calculated using discounted cash flow analysis as described above. The following table presents the illustrative implied relative contributions derived from this analysis and the relative ownership of Tronox Limited pursuant to the Transaction Agreement:

	Tronox Limited	Exxaro Mineral Sands
Implied Equity Value Contribution	46.0% - 47.3%	52.7% - 54.0%
Transaction Agreement Implied Ownership	61.5%	38.5%

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General

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying the respective opinions of Goldman Sachs and Moelis. In arriving at their fairness determinations, Goldman Sachs and Moelis each considered the results of all of their analyses and did not attribute any particular weight to any factor or analysis considered by them. Rather, Goldman Sachs and Moelis each made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of their analyses. No company used in the above analyses as a comparison is directly comparable to Tronox Incorporated or Exxaro.

Goldman Sachs prepared these analyses for purposes of Goldman Sachs providing its opinion to Tronox Incorporated s board of directors that, as of the date of its written opinion and based upon and subject to the factors and assumptions set forth therein, the Transaction Merger Consideration to be paid to the holders (other than Exxaro and its affiliates) of outstanding shares of Tronox Incorporated common stock pursuant to the Transaction Agreement was fair from a financial point of view to such holders. Moelis prepared these analyses for purposes of Moelis providing its opinion to Tronox Incorporated s board of directors that, based upon and subject to the conditions and limitations set forth in its written opinion, as of September 25, 2011, the Transaction Merger Consideration to be received by the holders of outstanding shares of Tronox Incorporated common stock in the Transaction was fair from a financial point of view to such holders, other than Exxaro and its affiliates. These analyses do not purport to be appraisals nor do they necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of Tronox Incorporated, Exxaro, Goldman Sachs, Moelis or any other person assumes responsibility if future results are materially different from those forecast.

The Transaction Merger Consideration was determined through arm s-length negotiations between Tronox Incorporated and Exxaro and was approved by Tronox Incorporated s board of directors. Goldman Sachs and Moelis provided advice to Tronox Incorporated during these negotiations. Goldman Sachs and Moelis did not, however, recommend any specific amount of consideration to Tronox Incorporated or its board of directors or that any specific amount of consideration constituted the only appropriate consideration for the Transaction.

As described above, Goldman Sachs and Moelis respective opinions to Tronox Incorporated s board of directors were one of many factors taken into consideration by Tronox Incorporated s board of directors in making its determination to approve the Transaction Agreement.

Additional Interests of Tronox Incorporated Executive Officers and Directors in the Transaction

In considering the recommendation of the Tronox Incorporated board of directors that Tronox Incorporated stockholders vote to approve the Merger Proposal and the Adjournment Proposal, you should be aware that some of Tronox Incorporated s directors and executive officers have financial interests in the Transaction that may be different from, or in addition to, those 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 the Transaction Agreement and the Transaction, in approving the Transaction Agreement, and in recommending the approval of the Merger Proposal and the Adjournment Proposal.

Immediately following completion of the Transaction, five members of the current Tronox Incorporated board of directors are expected to continue to be directors of Tronox Limited, allowing for the retirement of one Tronox Incorporated director at completion of the Transaction. The Transaction Agreement provides for a nine-member board of directors after completion of the Transaction, six members of which will be designated by holders of Class A Shares (of whom at least one will be ordinarily resident in Australia). We also expect

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Tronox Incorporated s management to be executive officers of Tronox Limited following completion of the Transaction.

While Tronox Incorporated s directors and executive officers will not receive any special compensation in connection with the Transaction, the Transaction Agreement does provide that in connection with the Mergers, all of the restricted shares previously granted under the management equity incentive plan, including those granted to directors and executive officers (other than the restricted shares awarded to Mr. Casey in connection with his appointment as the CEO of Tronox Incorporated), will vest and be exchanged for the Transaction Consideration. In addition, following completion of the Transaction, Thomas Casey, the chairman of the board and chief executive officer of Tronox Incorporated, will serve in the same capacity with Tronox Limited.

In addition, these interests may include arrangements that provide for severance benefits if certain executive officers 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.

We provide additional information about Tronox Incorporated s executive compensation programs under the heading Executive Compensation, and we provide information on the board of directors and management of Tronox Limited following completion of the Transaction under the heading Management.

The Governance of Tronox Limited Following Completion of the Transaction

Tronox Limited will be governed by the Constitution, Australian law, certain U.S. federal securities laws and the rules of the following completion of the Transaction and assuming that shares of Tronox Limited are listed on . A summary of the Constitution and relevant Australian law is set out below.

Indemnification and Insurance

Except as set forth below, there is no provision in any contract, arrangement or statute under which any director, secretary or other officer of Tronox Limited is insured or indemnified in any manner against any liability which he/she may incur in his/her capacity as such.

The Constitution requires Tronox Limited to, subject to and so far as is permitted by the Australian Corporations Act and the Australian Competition and Consumer Act 2010, indemnify every director, secretary or other officer of Tronox Limited and its related bodies corporate against a liability incurred as such a director, secretary or other officer to a person (other than to Tronox Limited or a related body corporate of Tronox Limited), unless the liability arises out of conduct involving a lack of good faith. This is a continuing indemnity and will apply in respect of all acts done while a director, secretary or other officer of Tronox Limited (or one of its wholly-owned subsidiaries) even if that person is not a director, secretary or other officer at the time the claim is made. The Constitution permits Tronox Limited to make a payment in respect of legal costs incurred by a director, secretary, officer or employee in defending an action for a liability incurred as such a director, secretary, officer or employee or in resisting or responding to actions taken by a government agency or a liquidator.

Tronox Limited will enter into Deeds of Access, Indemnity and Insurance (Deeds of Indemnity) with each of its respective directors to, among other things, give effect to these rights. Tronox Incorporated will also be a party to the Deed of Indemnity entered into between Tronox Limited and persons who are directors of Tronox Limited in the period prior to completion of the Transaction.

Prior to completion of the Transaction, Tronox Limited s directors and officers are covered by the policies and procedures of Tronox Incorporated as a wholly-owned subsidiary, including directors and officers insurance policies. Following completion of the Transaction, we expect directors and officers of Tronox Limited and Tronox Incorporated to be covered by an insurance policy, which Tronox Limited will acquire.

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Prior to completion of the Transaction, Tronox Limited will insure against amounts that it may be liable to pay to directors, secretaries, officers or certain employees pursuant to the Constitution, the Deeds of Indemnity or that Tronox Limited otherwise agrees to pay by way of indemnity. Tronox Limited will pay premiums for this Directors and Officers insurance (D&O Insurance). The insurance policy also will insure directors, secretaries, officers and some employees against certain liabilities (including legal costs) they may incur as officers or employees of Tronox Limited. The Deeds of Indemnity will provide that, subject to the Australian Corporations Act, during the director s term of office as an officer of Tronox Limited (or as an officer or trustee of a corporation or trust of which the director is appointed or nominated an officer or trustee by Tronox Limited or a wholly-owned subsidiary of Tronox Limited) and for seven years after the director ceases to hold such office, Tronox Limited must use its best efforts to effect and maintain D&O Insurance covering the director.

There are certain provisions of the Australian Corporations Act that restrict Tronox Limited from indemnifying directors, secretaries and other officers in certain circumstances. These provisions are described below.

Australian Law

Australian Corporations Act

Section 199A(1) of the Australian Corporations Act provides that a company or a related body corporate must not exempt a person from a liability to the company incurred as a director, secretary or other officer of the company.

Section 199A(2) of the Australian Corporations Act provides that a company or a related body corporate must not indemnify a person against any of the following liabilities incurred as a director, secretary or other officer of the company:

- a liability owed to the company or a related body corporate;
- a liability for a pecuniary penalty order or compensation order under specified provisions of the Australian Corporations Act or the Australian Competition and Consumer Act 2010; or
- a liability that is owed to someone other than the company or a related body corporate and did not arise out of conduct in good faith.

Section 199A(2) does not apply to a liability for legal costs.

Section 199A(3) of the Australian Corporations Act provides that a company or a related body corporate must not indemnify a person against legal costs incurred in defending an action for a liability incurred as a director, secretary or other officer of the company if the costs are incurred:

- in defending or resisting proceedings in which the person is found to have a liability for which they could not be indemnified under Section 199A(2);
- in defending or resisting criminal proceedings in which the person is found guilty;
- in defending or resisting proceedings brought by the Australian Securities and Investments Commission (ASIC) or a liquidator for a court order if the grounds for making the order are found by the court to have been established (this does not apply to costs incurred in responding to actions taken by ASIC or a liquidator as part of an investigation before commencing proceedings for the court order); or

in connection with proceedings for relief to the person under the Australian Corporations Act in which the court denies the relief.

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Section 199B of the Australian Corporations Act provides that a company or a related body corporate must not pay, or agree to pay, a premium for a contract insuring a person who is or has been a director, secretary or other officer of the company against a liability (other than one for legal costs) arising out of:

- conduct involving a willful breach of duty in relation to the company; or
- a contravention of the director, secretary or officer s duties under the Australian Corporations Act not to improperly use their position or make improper use of information obtained as a director, secretary or officer.

For the purpose of Sections 199A and 199B, an officer of a company includes:

- a director or secretary;
- a person who makes, or participates in making, decisions that affect the whole, or a substantial part, of the business of the company;
- a person who has the capacity to significantly affect the company s financial standing; and
- a person in accordance with whose instructions or wishes the directors of the company are accustomed to act.

Insurance

The directors and officers of Tronox Limited and the duly authorized United States representative of each are insured against certain liabilities, including certain insured liabilities under United States securities laws, which they may incur in their capacity as such under a liability insurance policy carried by Tronox Limited.

* * *

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, may be permitted for directors, officers and controlling persons of Tronox Limited pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

Stock Exchange Listing

Upon completion of the Transaction, we expect the Class A Shares to be listed on ..

Material U.S. Federal Tax Consequences of the Transaction

In the opinion of our U.S. tax counsel, Kirkland & Ellis LLP, the following describes the material U.S. federal tax consequences to U.S. Holders (as defined below) and Non-U.S. Holders (as defined below, and, together with U.S. Holders, Holders) of Tronox Incorporated common stock or warrants to acquire Tronox Incorporated common stock (Tronox Warrants) in the Transaction.

Except where noted, this description deals only with Holders who hold their shares of Tronox Incorporated common stock as capital assets, and does not represent a detailed description of the U.S. federal income tax consequences applicable to you if you are subject to special treatment under the U.S. federal income tax laws, including if you are:

- a broker or dealer in securities or currencies;
- a financial institution;

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- a regulated investment company;
- a real estate investment trust;
- a tax-exempt organization;
- an insurance company;
- a person holding shares of Tronox Incorporated common stock as part of a hedging, integrated, conversion, wash or constructive sale transaction or a straddle or synthetic security;
- a trader in securities that has elected the mark-to-market method of accounting for your securities;
- a person liable for alternative minimum tax;
- a person who acquired shares of Tronox Incorporated common stock in a compensatory transaction;
- a Non-U.S. Holder who is or has previously been engaged in the conduct of a trade or business in the United States;
- a person who is an investor in a pass-through entity;
- a person owning 10.0% or more of the voting stock of Tronox;
- a U.S. Holder whose functional currency is not the U.S. dollar;
- a controlled foreign corporation ;
- a passive foreign investment company ; or
- a U.S. expatriate.

This description is based upon provisions of the U.S. Internal Revenue Code of 1986, as amended (the Code), and regulations, rulings and judicial decisions that are available and in effect as of the date of this proxy statement/prospectus. Those authorities may be changed, perhaps retroactively, so as to result in U.S. federal income tax consequences different from those summarized below. This description does not represent a detailed description of the U.S. federal income tax consequences to you in light of your particular circumstances.

If a partnership holds shares of Tronox Incorporated common stock or Tronox Warrants, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partnership or a partner of a partnership holding shares of Tronox Incorporated common stock or Tronox Warrants, you are urged to consult your tax advisors.

Tronox Incorporated has not requested, nor does it intend to request, a tax ruling from the U.S. Internal Revenue Service (the IRS) with respect to the Transaction. Consequently, there can be no assurance that the treatment set forth in the following discussion will be accepted by the IRS.

You are urged to consult your own tax advisors concerning the application of the U.S. federal tax laws to your particular situation as well as any consequences to you arising under the laws of any other taxing regime or jurisdiction, including estate, gift, state, local, and non-U.S. tax consequences.

Consequences to U.S. Holders

U.S. Holder means a beneficial owner of Tronox Incorporated common stock that is, for U.S. federal income tax purposes:

- an individual citizen or resident of the United States;

- a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state of the United States or the District of Columbia;

- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

Consequences to U.S. Holders Who Receive Class A Shares and Cash

A U.S. Holder who receives Class A Shares and cash in exchange for Tronox Incorporated common stock pursuant to the Mergers 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 closing 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. Such gain or loss will generally be capital gain or loss, and is calculated by lot where the U.S. Holder owns shares of Tronox Incorporated common stock with varying per share U.S. federal income tax basis or holding periods. Capital gains of non-corporate Holders derived with respect to capital assets held for more than one year currently are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. A U.S. Holder s U.S. federal income tax basis in its Class A Shares received will be equal to the fair market value of those shares as of the closing date.

Consequences to U.S. Holders Who Receive Exchangeable Shares

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. However, subject to the foregoing, the material U.S. federal income tax consequences should be as follows:

- the U.S. Holder should not recognize any gain or loss for U.S. federal income tax purposes upon the receipt of Exchangeable Shares in exchange for the shares of Tronox Incorporated common stock surrendered by the U.S. Holder in exchange for the Exchangeable Shares;

- the U.S. Holder s aggregate U.S. federal income tax basis in the Exchangeable Shares received should be equal to the aggregate U.S. federal income tax basis of the shares of Tronox Incorporated common stock surrendered by the U.S. Holder in exchange for the Exchangeable Shares; and

- the U.S. Holder s holding period for the Exchangeable Shares received pursuant to the Exchangeable Share Election should include such U.S. Holder s holding period for the shares of Tronox Incorporated common stock surrendered by the U.S. Holder in exchange for the Exchangeable Shares.

Upon a subsequent exchange of Exchangeable Shares into Class A Shares and cash, a U.S. Holder should recognize a gain or loss equal to the difference between (i) the sum of the fair market value, as of the date of such conversion, 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. Such gain or loss on the exchange of Exchangeable Shares generally should be capital gain or loss, subject to the discussion below with respect to dividends, and is calculated by lot where the U.S. Holder owns shares of Tronox Incorporated common stock with varying per share U.S. federal income tax basis or holding periods. Capital gains of non-Corporate Holders derived with respect to capital assets held for more than one year currently are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. A U.S. Holder s U.S. federal income tax basis in its Class A Shares received should be equal to the fair market value of those shares as of the date of conversion.

To the extent that a U.S. Holder receives cash in the amount of any declared but unpaid dividends on its Exchangeable Shares as part of the exchange of Exchangeable Shares into Class A Shares and cash, the gross amount of such dividend payment will be treated as dividend income to such U.S. Holder to the extent paid out

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of Tronox Incorporated s current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent that the amount of the dividend exceeds Tronox Incorporated s current and accumulated earnings and profits, the distribution first will be treated as a tax-free return of capital (reducing the adjusted U.S. federal income tax basis in such Exchangeable Shares with the result that the U.S. Holder would recognize an increased gain or a reduced loss in the exchange of the Exchangeable Shares for Class A Shares). The balance in excess of adjusted basis will be taxed as a capital gain.

Consequences to U.S. Holders Who Receive Both Class A Shares and Exchangeable Shares

In the event the Exchangeable Share Election is subject to the proration procedures described in this proxy statement/prospectus and a U.S. Holder receives Class A Shares and cash for a portion of its shares of Tronox Incorporated common stock and Exchangeable Shares for the remainder of its shares, such U.S. Holder (i) will recognize gain or loss on the receipt of Class A Shares and cash, as described above under Consequences to U.S. Holders Who Receive Class A Shares and Cash, and (ii) should not recognize gain or loss on the receipt of the Exchangeable Shares, as described above under Consequences to U.S. Holders Who Receive Exchangeable Shares.

Each U.S. Holder who is the holder of record of its shares of Tronox Incorporated common stock may elect to identify certain shares of Tronox Incorporated common stock (instead of a portion of each share) with respect to which such U.S. Holder wishes to make a Parent Share Election and certain other shares of Tronox Incorporated common stock with respect to which such U.S. Holder wishes to make an Exchangeable Share Election. Each U.S. Holder whose shares are held in street name through one or more brokers or through one or more custodial accounts may be provided the opportunity to make a similar election with such U.S. Holder s broker(s) or other agent(s) on an account-by-account basis; whether such opportunity is available will be determined by the broker(s) or other agent(s). If, for U.S. federal income tax purposes, the IRS respects the specific identification of the shares of Tronox Incorporated common stock with respect to which a Parent Share Election or an Exchangeable Share Election, as the case may be, is made, then the shares of Tronox Incorporated common stock specifically identified in such manner will be treated as the shares with respect to which each of such elections were made. Gain or loss on the exchange of the identified shares would then be determined and taxed for U.S. federal income tax purposes in the manner described in the preceding sections. We can provide no assurance that a U.S. Holder of Tronox Incorporated common stock will be able to identify certain shares of Tronox Incorporated common stock for purposes of the foregoing elections or that a taxing authority will respect the elections as identifying the shares with respect to which a Parent Share Election or an Exchangeable Share Election, as the case may be, has been made. **Each U.S. Holder of Tronox Incorporated common stock should consult their tax advisor as to whether any steps taken by such U.S. Holder to identify which shares have made a Parent Share Election or an Exchangeable Share Election, as the case may be, will be respected for U.S. federal income tax purposes.**

Consequences to U.S. Holders of Tronox Warrants

A U.S. Holder of Tronox Warrants who exchanges such Tronox Warrants for warrants to acquire, under the same terms and conditions, the per share consideration that the holder of such Tronox Warrants would have received with respect to each share of Tronox Incorporated common stock into which such Tronox Warrants were convertible (such warrants, Parent Warrants) pursuant to the Mergers 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 closing date, of the Parent Warrants received in the exchange and (ii) the U.S. Holder s U.S. federal income tax basis in its Tronox Warrants. Such gain or loss will be capital gain or loss, and is calculated by lot where the U.S. Holder owns Tronox Warrants with varying per warrant U.S. federal income 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 basis of the Parent Warrants received will be equal to the fair market value of those Parent Warrants as of the closing date. The U.S. Holder s holding period for the Parent Warrants will begin on the day following the closing date.

Consequences to Non-U.S. Holders

Non-U.S. Holder means a beneficial owner of Tronox Incorporated common stock or Tronox Warrants (other than a partnership) that is not a U.S. Holder.

Consequences to Non-U.S. Holders Who Receive Class A Shares and Cash

A Non-U.S. Holder who receives Class A Shares and cash in exchange for Tronox Incorporated common stock generally will not be subject to U.S. federal income tax unless:

- the gain is effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the United States or, if an income tax treaty applies, is attributable to a permanent establishment of the Non-U.S. Holder in the United States;

- in the case of gain recognized by an individual Non-U.S. Holder, the individual is present in the United States for 183 days or more during the taxable year of disposition and other conditions set forth in the Code are met; or

- Tronox is or has been a United States real property holding corporation for U.S. federal income tax purposes.

An individual Non-U.S. Holder described in the first bullet point in the list immediately above will be subject to tax on the net gain derived from the exchange under regular graduated U.S. federal income tax rates. An individual Non-U.S. Holder described in the second bullet point in the list immediately above will be subject to a flat 30.0% tax (or such lower rate as may be provided by an applicable income tax treaty) on the gain derived from the exchange, which may be offset by U.S. source capital losses, even though the individual is not considered a resident of the United States. If a Non-U.S. Holder that is a foreign corporation falls under the first bullet point in the list immediately above, it will be subject to tax on its net gain from the exchange in the same manner as if it were a U.S. person as defined under the Code and, in addition, may be subject to the branch profits tax equal to 30.0% of its effectively connected earnings and profits or at such lower rate as may be specified by an applicable income tax treaty.

Generally, Tronox Incorporated would be a United States real property holding corporation if the fair market values of its U.S. real property interests equaled or exceeded 50.0% of the sum of the fair market values of its worldwide real property interests and other assets used or held for use in a trade or business, all as determined under applicable U.S. Treasury regulations. Tronox Incorporated believes that it has not been and is not a United States real property holding corporation for U.S. federal income tax purposes. Although Tronox Incorporated does not anticipate becoming a United States real property holding corporation based on its current business plans and operations, Tronox Incorporated may become one in the future. If Tronox Incorporated has been or were to become a United States real property holding corporation on or before the closing date, a Non-U.S. Holder could be subject to U.S. federal income tax (but not the branch profits tax) with respect to gain realized on the exchange of its shares of Tronox Incorporated common stock for Class A Shares and cash. However, such gain would not be subject to U.S. federal income or withholding tax if (1) Tronox Incorporated s shares of common stock were regularly traded on an established securities market and (2) the Non-U.S. Holder exchanging its shares of Tronox Incorporated common stock did not own, actually or constructively, at any time during the five-year period preceding the exchange, more than 5.0% of the value of Tronox Incorporated s common stock. Tronox Incorporated common stock currently is traded on the over-the-counter market and on the OTC Markets Group, Inc. Pink Sheets market. It is not clear whether Tronox Incorporated common stock is currently, or will at closing, be considered to be regularly traded within the meaning of this exception. As a consequence, this exception may not be available should it be determined that Tronox Incorporated is a United States real property holding corporation.

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Consequences to Non-U.S. Holders Who Receive Exchangeable Shares

The U.S. federal income tax consequences to a Non-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. However, the material U.S. federal income tax consequences should be as follows:

- a Non-U.S. Holder should not recognize any gain or loss for U.S. federal income tax purposes upon the receipt of Exchangeable Shares in exchange for the Non-U.S. Holder s shares of Tronox Incorporated common stock;

- a Non-U.S. Holder s aggregate U.S. federal income tax basis in the Exchangeable Shares received should be equal to the aggregate U.S. federal income tax basis of the shares of Tronox Incorporated common stock surrendered by the Non-U.S. Holder in exchange for the Exchangeable Shares; and

- a Non-U.S. Holder s holding period for the Exchangeable Shares received pursuant to the Exchangeable Share Election should include such Non-U.S. Holder s holding period for the shares of Tronox Incorporated common stock surrendered by the Non-U.S. Holder in exchange for the Exchangeable Shares.

Upon any subsequent exchange of Exchangeable Shares into Class A Shares and cash, any gain realized by a Non-U.S. Holder on the exchange of Exchangeable Shares for Class A Shares and cash generally will not be subject to U.S. federal income tax unless:

- the gain is effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the United States or, if an income tax treaty applies, is attributable to a permanent establishment of the Non-U.S. Holder in the United States;

- in the case of gain recognized by an individual Non-U.S. Holder, the individual is present in the United States for 183 days or more during the taxable year of disposition and other conditions set forth in the Code are met; or

- Tronox Incorporated is or has been a United States real property holding corporation for U.S. federal income tax purposes.

A Non-U.S. Holder described in the first or second bullet points in the list immediately above will be subject to tax on the gain derived from the exchange in the same manner described in Consequences to Non-U.S. Holders Who Receive Class A Shares and Cash, above. As described in greater detail in Consequences to Non-U.S. Holders Who Receive Class A Shares and Cash, above, Tronox Incorporated believes that it has not been and is not a United States real property holding corporation for U.S. federal income tax purposes.

To the extent that a Non-U.S. Holder receives cash in the amount of any declared but unpaid dividends on its Exchangeable Shares due to any subsequent exchange of Exchangeable Shares into Class A Shares and cash, the gross amount of such dividend payment will be treated as a dividend to such Non-U.S. Holder for U.S. federal income tax purposes, to the extent paid out of Tronox Incorporated s current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Dividends paid to a Non-U.S. Holder will be subject to withholding of U.S. federal income tax at a 30.0% rate or such lower rate as may be specified by an applicable income tax treaty (provided that the Non-U.S. Holder provides the applicable documentation to claim the benefit of such reduced rate). However, dividends that are effectively connected with the conduct of a trade or business by a Non-U.S. Holder within the U.S. and, where an income tax treaty applies, that are generally attributable to a U.S. permanent establishment, are not subject to the withholding tax, but instead are subject to U.S. federal income tax on a net income basis at applicable graduated individual or corporate income tax rates. Certain certification and disclosure requirements, including delivery of a properly executed IRS Form W-8ECI (or other applicable form), must be satisfied for effectively connected

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income in order to be exempt from withholding. Any such dividends received by a Non-U.S. Holder that is a foreign corporation that are effectively connected with its conduct of a trade or business within the U.S. may be subject to an additional branch profits tax at a 30.0% rate or such lower rate as may be specified by an applicable income tax treaty.

To the extent that the amount of any dividend distribution received by a Non-U.S. Holder exceeds Tronox Incorporated s current and accumulated earnings and profits, the distribution will first be treated as a tax-free return of capital (reducing the adjusted U.S. federal income tax basis in such Non-U.S. Holder s Exchangeable Shares). The balance in excess of adjusted U.S. federal income tax basis would be treated in the same way as capital gain from a sale or other exchange of Exchangeable Shares, as described above, and generally should not be subject to U.S. federal income tax unless one of the exceptions described above applies.

Consequences to Non-U.S. Holders of Tronox Warrants

A Non-U.S. Holder of Tronox Warrants who exchanges such Tronox Warrants for Parent Warrants generally will not be subject to U.S. federal income tax unless:

- the gain is effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the United States or, if an income tax treaty applies, is attributable to a permanent establishment of the Non-U.S. Holder in the United States;

- in the case of gain recognized by an individual Non-U.S. Holder, the individual is present in the United States for 183 days or more during the taxable year of disposition and other conditions set forth in the Code are met; or

- Tronox Incorporated is or has been a United States real property holding corporation for U.S. federal income tax purposes.

A Non-U.S. Holder described in the first or second bullet points in the list immediately above will be subject to tax on the gain derived from the exchange in the same manner described in Consequences to Non-U.S. Holders Who Receive Class A Shares and Cash, above. Tronox Incorporated believes that it has not been and is not a United States real property holding corporation for U.S. federal income tax purposes.

United States Federal Estate Tax

Exchangeable Shares held by an individual Non-U.S. Holder at the time of death should be included in such Non-U.S. Holder s gross estate for U.S. federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

Information Reporting and Backup Withholding

Payments made to Holders in the Mergers or upon any subsequent exchange of Exchangeable Shares into Class A Shares and cash may be reported to the IRS. In addition, under the U.S. federal income tax laws, Tronox Incorporated will be required to backup withhold at the applicable statutory rate (currently 28.0%) on the consideration paid to Holders who are not exempt recipients pursuant to the Mergers or upon any subsequent exchange of Exchangeable Shares into Class A Shares and cash. To avoid such backup withholding, each such Holder must provide Tronox Incorporated with the Holder s taxpayer identification number and certify that the Holder is not subject to backup withholding by completing a Form W-9, or otherwise establish to Tronox Incorporated s satisfaction that such Holder is not subject to backup withholding. Certain exempt recipients are not subject to these backup withholding tax requirements.

Backup withholding is not an additional tax. A Holder from whom amounts are withheld under the backup withholding rules may be able to receive a refund or credit against the Holder s U.S. federal income tax liability

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if the required information is furnished to the IRS. Holders should consult their own tax advisors regarding application of backup withholding in their particular circumstances and the availability of, and procedure for obtaining, an exemption from, or refund of, backup withholding under current U.S. Treasury regulations.

U.S. Federal Income Tax Consequences to U.S. Holders Who Hold Class A Shares

The U.S. federal income tax consequences to a U.S. Holder who holds Class A Shares in Tronox Limited as a result of the Transaction Agreement will be as follows:

Dividends. Any distributions made on the Class A Shares will constitute dividends for U.S. federal income tax purposes to the extent of Tronox Limited s current or accumulated earnings and profits, as determined under U.S. federal income tax principles, and taxed at the applicable rates for U.S. federal income tax purposes. To the extent that a U.S. Holder receives distributions that would otherwise constitute dividends for U.S. federal income tax purposes but that exceed Tronox Limited s current and accumulated earnings and profits, those distributions will be treated first as a non-taxable return of capital reducing the U.S. Holder s U.S. federal income tax basis in its Class A Shares. Any such distributions in excess of the U.S. Holder s U.S. federal income tax basis in its Class A Shares (determined on a share-by-share basis) generally will be treated as capital gain. Dividends paid to U.S. Holders that are corporations generally will not be eligible for the dividends-received deduction.

Sale, Redemption or Repurchase. U.S. Holders generally will recognize capital gain or loss upon the sale, redemption or other taxable disposition of Class A Shares in an amount equal to the difference between the U.S. Holder s adjusted U.S. federal income tax basis in the Class A Shares and the sum of the cash plus the fair market value of any property received from such disposition.

Currently, reduced U.S. federal income tax rate on long-term capital gains may apply to non-corporate U.S. Holders. The deductibility of capital loss is subject to significant limitations.

Material Australian Tax Consequences of the Transaction

In addition to the U.S. federal income tax consequences described above, there is a risk that a U.S. Holder or Non-U.S. Holder (excluding Australian residents) may be subject to Australian capital gains tax (CGT) upon the exchange of Tronox Incorporated common stock for Class A Shares and cash and/or Exchangeable Shares, if at the time of exchanging the Tronox Incorporated common stock for Class A Shares and/or Exchangeable Shares:

- the U.S. Holder or the Non-U.S. Holder (together with any associates) directly or indirectly owns at the time of the exchange (determined under Australian tax law), or owned throughout a 12-month period during the two years prior to the time of exchange, 10.0% or more of the issued share capital of Tronox Incorporated; and

- at the time of the exchange, more than 50.0% of Tronox Incorporated s assets (by market value) constitute taxable Australian real property.

Similarly, there is a risk that a U.S. Holder or a Non-U.S. Holder (excluding Australian residents) of Exchangeable Shares may be subject to Australian CGT upon the exchange of the Exchangeable Shares for Class A Shares, if at the time of exchanging the Exchangeable Shares for Class A Shares:

- the U.S. Holder or the Non-U.S. Holder (together with any associates) directly or indirectly owns at the time of the exchange (determined under Australian tax law), or owned throughout a 12-month period during the two years prior to the time of exchange, 10.0% or more of the issued share capital of Tronox Incorporated; and

- at the time of the exchange, more than 50.0% of Tronox Incorporated s assets (by market value) constitute taxable Australian real property.

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Where the above conditions are satisfied, a corporate U.S. Holder or Non-U.S. Holder would be subject to Australian tax at the rate of 30%.

Australian Tax Consequences to U.S. Holders Who Hold Class A Shares

The Australian tax consequences to a U.S. Holder who holds Class A Shares and who is:

- a resident of the United States for the purposes of, and is entitled to the benefits of, the Convention Between the Government of the United States of America and the Government of Australia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (the U.S./Australia Double Tax Treaty); and

- not regarded as a resident of Australia for tax purposes and does not hold their Class A Shares in carrying on business through a permanent establishment in Australia) should be as follows:

Dividends. Any fully-franked dividend paid by Tronox Limited to a U.S. Holder who holds Class A Shares will not be subject to Australian tax. However, to the extent dividends relating to Australian sourced income are unfranked or partly-franked, Australian non-resident dividend withholding tax may apply. Alternatively, where Tronox Limited distributes an amount of foreign income which is not subject to Australian tax (for example, dividends received from wholly owned foreign subsidiaries) as an unfranked dividend, that amount may not be subject to Australian dividend withholding tax. Under the terms of the U.S./Australia Double Tax Treaty the maximum rate of Australian dividend withholding tax is 15.0%. It is possible that a lower rate of withholding tax may apply depending on the U.S. Holder s circumstances.

Sale. In summary, a U.S. Holder who holds Class A Shares should not be subject to Australian tax in respect of a future sale of their Class A Shares unless:

- the U.S. Holder (together with any associates) directly or indirectly owns at the time of the sale (determined under Australian tax law), or owned throughout a 12-month period during the two years prior to the time of sale, 10.0% or more of the issued share capital of Tronox Limited; and

- at the time of sale, more than 50.0% of Tronox Limited s assets (by market value) constitute taxable Australian real property. Currently, Tronox Limited does not expect that more than 50.0% of its assets will constitute taxable Australian real property.

Australian Tax Consequences to Non-U.S. Holders Who Hold Class A Shares

The Australian tax consequences to a Non-U.S. Holder who holds Class A Shares will depend on the jurisdiction in which the Non-U.S. Holder is a resident for tax purposes. Outlined below are the Australian tax consequences for the following Non-U.S. Holders:

- those resident for tax purposes in a jurisdiction with which Australia has a Double Tax Treaty;

- those who are not resident for tax purposes in a jurisdiction with which Australia has a Double Tax Treaty; and

- those who are resident for tax purposes in Australia.

Non-U.S. Holders Resident for Tax Purposes in a Jurisdiction with Which Australia has a Double Tax Treaty

The Australian tax consequences to a Non-U.S. Holder who holds Class A Shares and who is resident in a jurisdiction with which Australia has a Double Tax Treaty (and who will not hold their Class A Shares in carrying on business through a permanent establishment in Australia), should be broadly similar as those for U.S. Holders of Class A Shares.

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Non-U.S. Holders Not Resident for Tax Purposes in a Jurisdiction with Which Australia Has a Double Tax Treaty

The Australian tax consequences to a Non-U.S. Holder who holds Class A Shares and who is not resident in a jurisdiction with which Australia has a Double Tax Treaty (and who will not hold their Class A Shares in carrying on business through a permanent establishment in Australia), should be broadly similar as those for U.S. Holders of Class A Shares, subject to the following differences:

Dividends. Any dividend paid by Tronox Limited to a Non-U.S. Holder who is not resident in a jurisdiction with which Australia has a Double Tax Treaty, may be subject to Australian non-resident dividend withholding tax at a rate of 30.0%, to the extent that such a dividend is unfranked. However, where Tronox Limited pays an unfranked dividend to a Non-U.S. Holder (excluding Australian resident shareholders) out of foreign profits which are not subject to Australian federal income tax, that amount may not be subject to Australian dividend withholding tax.

Sale. A Non-U.S. Holder who holds Class A Shares for the purposes of speculation or a business of dealing in securities (e.g., as trading stock), may be subject to Australian income tax on disposal if the gain made on sale is considered to have an Australian source. Such shareholders should obtain their own advice on the Australian tax implications of such a sale.

Non-U.S. Holders Who Hold Class A Shares and Who Are Resident for Tax Purposes in Australia

The tax consequences for Non-U.S. Holders of Class A Shares who are residents of Australia, should broadly be as follows:

Dividends. Dividends paid by Tronox Limited to a Non-U.S. Holder of Class A Shares who is also a resident of Australia should be subject to Australian income tax.

To the extent that Tronox Limited pays fully-franked dividends, a Non-U.S. Holder of Class A Shares who is also a resident of Australia should be able to claim a credit for the Australian income tax paid in respect of the underlying profits, provided that person is a qualified person for the purpose of the Australian income tax legislation.

To the extent Tronox Limited pays unfranked or partly-franked dividends to a Non-U.S. Holder who is also a resident of Australia for tax purposes and that Non-U.S. Holder does not provide their tax file number, Tronox Limited must withhold the withholding tax (at the highest marginal rate of tax plus Medicare levy) in respect of the unfranked amount of the dividend. Such a Non-U.S. Holder may then be entitled to claim a credit on their income tax return for the year in which the relevant Tronox Limited dividend is paid.

Sale. A Non-U.S. Holder of Class A Shares who is a resident of Australia may be subject to Australian capital gains tax (CGT) in respect of a future sale of their Class A Shares. Any CGT gain or loss on a future disposal of the Class A Shares will be broadly determined by, comparing the proceeds of the disposal (or in some cases, the deemed proceeds) with the cost base (or reduced cost base) of the Class A Shares. A Non-U.S. Holder who holds Class A Shares for the purposes of speculation or a business of dealing in securities (e.g., as trading stock) should obtain their own advice on the Australian tax implications of such a sale.

Disclaimer

The foregoing description of U.S. federal income tax and Australian tax consequences is not intended to serve as tax advice for any Holder of Tronox Incorporated common stock or warrants. The tax consequences of the Mergers for each Holder will depend on that Holder s unique tax situation. Each Holder should seek advice from an independent tax advisor about the tax consequences of the Mergers based on the Holder s particular circumstances.

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Regulatory Matters

The effectiveness of certain sections of the Transaction Agreement is subject to the satisfaction of certain regulatory preconditions, of which the following are outstanding:

Approval under the Australian Foreign Acquisitions and Takeover Act of 1975

The Transaction is subject to Tronox Incorporated and Exxaro each receiving written notice from the Australian Treasurer (who receives advice from the Foreign Investment Review Board (FIRB)) under the Australian Foreign Acquisitions and Takeovers Act 1975 (FATA) stating that the Treasurer does not object to the Transaction, either unconditionally or on terms that are acceptable to both Exxaro and Tronox Incorporated. The Treasurer has powers to make an order prohibiting the Transaction if he considers that the result of the Transaction will be contrary to Australia s national interest.

Each of Tronox Incorporated and Exxaro will file a submission with FIRB. Under the FATA, the Treasurer has 30 days to make a decision and a further 10 days to communicate the decision to Tronox Incorporated and Exxaro. This period can be extended by an additional 90 days. Tronox Incorporated and Exxaro are confident that the Transaction is consistent with the Australian Commonwealth government s foreign investment policy.

Consent of the South African Minister of Mineral Resources

The acquisition by Tronox Limited of 74.0% of the issued shares in Exxaro Sands and Exxaro TSA Sands amounts to a change of control under the South African Mineral and Petroleum Resources Development Act, 2002, and requires the approval of the Minister for Mineral Resources. The requisite applications for this approval have been made, but there can be no assurance that the required approval will be obtained or, if it is obtained, that the conditions imposed (if any) will be acceptable to the parties.

Antitrust Approvals

Exxaro Mineral Sands conducts business in a number of countries, in addition to South Africa, where Tronox Incorporated also transacts business or sells its products. Based on Tronox Incorporated s review of the information currently available about Exxaro Mineral Sands, in addition to the consent of the South African Competition Tribunal, pre-merger notification filings are required to be made under the antitrust and competition laws of the United States, Germany, Turkey, China and South Korea. Completion of the Transaction is subject to the condition that the consents, approvals, actions or rulings required under the antitrust laws of the United States, Germany, Turkey, China and South Korea have been obtained or waived and the respective waiting periods required under those laws have expired or have been terminated. The required antitrust filings have been made for each of these countries, and clearance of the Transaction has been received from the respective antitrust authorities of Germany, South Africa, South Korea, Turkey and the United States. There can be no assurance that a challenge to the Transaction on antitrust or competition grounds will not be made or, if such a challenge is made, that the result will be in Tronox Incorporated s favor. If any applicable waiting period under the antitrust laws of the remaining jurisdiction has not expired or been terminated or any consent, approval, action, or ruling required to complete the Transaction under the antitrust laws of China has not been obtained, neither Tronox Incorporated nor Exxaro is obligated to close the Transaction unless and until such approval has been obtained or such applicable waiting period has expired (or an exemption has been obtained).

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.

Exxaro Third Party Consents

Exxaro must obtain third party consents to effect its contribution of Exxaro Mineral Sands to Tronox Limited pursuant to the Transaction Agreement from several of its lenders, business partners and service providers. Receipt of these consents is on-going and is a condition precedent to completion of the Transaction. For a discussion of the risks of not obtaining these third party consents, see Risk Factors Risks Related to 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 regulatory conditions or cause Tronox Incorporated and Exxaro to abandon the Transaction.

Appraisal Rights

Pursuant to Section 262 of the Delaware General Corporation Law, which we refer to as 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, may have the right to seek appraisal of the fair value of their 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 be more or less than, or the same as, the consideration contemplated by the Transaction Agreement.

Tronox Incorporated stockholders who wish to preserve their appraisal rights 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 contemplated by the Transaction Agreement, 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 Mergers and pursue appraisal rights should consult their legal advisors. If you have submitted a valid demand for appraisal for your shares in accordance with the applicable requirements of Section 262, 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. **For a summary of the material provisions of Section 262 required to be followed by dissenting Tronox Incorporated stockholders wishing to demand and perfect appraisal rights, please read the section titled Appraisal Rights.** The full text of Section 262 is attached as Annex D to this proxy statement/prospectus.

Principal Corporate Offices

Immediately followi