

# EXXARO RESOURCES

## OPENING NEW POSSIBILITIES



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*A world-class commodity portfolio that  
has been developed with sustainability  
at the forefront of every decision*

WRITTEN BY: **WILL DAYNES**  
RESEARCH BY: **CANDICE NICE**  
& **ROBERT HODGSON**





Building upon a pedigree and wealth of skills that stretch back decades, Exxaro Resources may be a relatively young business, but it has already solidified itself as one of South Africa's largest diversified resources groups. Boasting interests in coal, mineral sands, ferrous and energy commodities, it is the country's second largest coal producer with current production levels reaching 47 million tonnes per annum (mtpa). Exxaro's diverse commodity portfolio helped the company record assets of R37 billion and a market capitalisation of R60 billion as of the end of 2011.

Exxaro's eight managed coal mines produce power station, steam and coking coal, as well as char. The company is the largest supplier of power station coal to South Africa's national power utility, Eskom. Exxaro's Grootegeluk mine is one of the most-efficient mining operations in the world, and operates the world's largest coal beneficiation complex, where 9,000 tonnes per hour of run-of-mine coal is upgraded in six different plants. Situated 25 kilometres from Lephalale in South Africa's Limpopo province, this open-pit mine has an estimated minable coal reserve of 2,800 metric tonnes and a total measured coal resource of 4,600 tonnes, from which semi-soft coking coal, thermal coal and metallurgical coal can be produced.

Some 14.8 metric tonnes of annual production is power station coal, transported directly to Eskom's Matimba power station on a seven kilometre conveyor belt. Grootegeluk also produces 2.5Mtpa of semi-soft coking coal, the bulk of which is railed directly to



## The missing piece in your project

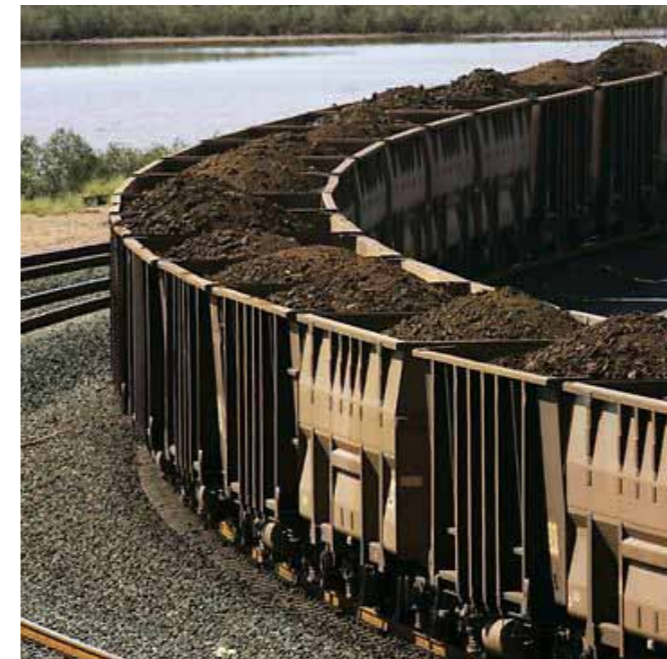
**Stefanutti Stocks** - a multidisciplinary construction group with a footprint in South Africa, Africa and the Middle East - proudly associated with a variety of Exxaro's projects.

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Such are the demands for power in South Africa, however, that Grootegeluk's capacity is being doubled in order to supply Eskom's new Medupi power station. The \$1.3 billion Grootegeluk Medupi Expansion Project (GMEP) will increase throughput to 14,000 tonnes per hour, and supply Medupi with 14.6Mtpa of coal for 40 years.

Since its formation as South Africa's largest BEE-empowered diversified resources company in November 2006, Exxaro has built itself upon a brand promise, which is "Everything we do and deliver today will allow others to realise their vision

### STEFANUTTI STOCKS



Multidisciplinary Stefanutti Stocks is a leading South African construction group with the capacity to deliver a range of projects of any scale to a multitude of clients in diverse markets. The group operates across South Africa, sub-Saharan Africa and in the Middle East and has been successful in strategically positioning itself across many industries with its portfolio of both conventional and niche skills. The group operates through its business units of Building; Mechanical & Electrical; Power; Roads, Pipelines & Mining Services and Structures. It is one of the few construction companies in Africa that can offer clients a full range of services, including a single point of responsibility on multidisciplinary projects.

#### Mining capabilities

Stefanutti Stocks' divisions boasts a wealth of experience and expertise in the design and construction of mining infrastructure as

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Stefanutti Stocks has undertaken a variety of projects for Exxaro, ranging from the construction of the largest coalbunkers in the southern hemisphere; to structural steel work, piping, wet services and mechanical installations of a blending and load-out SMPP, through to the construction of numerous major housing contracts.

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Exxaro Coal - Tshikondeni Mine  
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Pilanesberg Platinum - Boynton
- **ANDALUSITE**  
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Trollope Mining Services (2000) (Pty) Ltd is a Level 4 BBBEE rated company providing the services of opencast mining, crushing, screening and rehabilitation. Established in 1975 the company boasts a substantial fleet of equipment and has enjoyed a sound working relationship with several well-known companies over the last three decades, including Xstrata, Exxaro, Continental Coal, Sumo Coal & Anglo American.

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tomorrow". It is this promise that the company states has influenced its drive towards sustainable development.

For Exxaro, sustainability is about securing the future. Our aim is to harmonise business, community and environmental needs and obligations to enable Exxaro to achieve its

founding goal of being a company that makes a positive social and economic contribution to South Africa.

One of the ways it is achieving this goal is through the development of its employees and stakeholders. The company's approach to its people is guided by a comprehensive suite of policies covering employment, labour/management relations, occupational health and safety, training and education, diversity and equal opportunity.

Supported by the leading practices developed in recent years, Exxaro concentrates on exceeding compliance targets in South Africa by training and development to maximise individual potential, equality and safety in the workplace, meeting its employment equity targets and improving standards of living in its stakeholder

**2006**

.....

The year Exxaro was formed



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communities. Collectively, its initiatives are also contributing to reducing the shortage of skills in the industry.

Through its human resource development policy, Exxaro aims to develop and sustain core competencies and maximise human resources to meet the group's strategic objectives and improve operational performance, while also creating a learning culture by assisting and facilitating the process in which employees and their dependants take responsibility for improving their own educational and competency levels. Further aims include ensuring the integration and uniformity in all learning and development processes by



**VR STEEL**



Rope Shovels have overhauled large surface mining operations around the world. These colossal machines are the preferred choice for any world-class mine. Van Reenen Steel is the official agent for Taiyuan Heavy Industry (TZ) in Africa.

The Grootegeluk Medupi Expansion Project (GMEP) necessitated two additional rope shovels, with more to follow in the coming years. Two WK-35 series rope shovels were delivered to Exxaro Resources, Grootegeluk coal mine in July 2012. The shovels took 3 months to build on site, and went into service at the end of that year. These shovels, which have 44 mD coal dippers, are the first TZ shovels to be delivered in Africa.

Sifiso Magagula the, Director of V R Mining Products, says that the skills being transferred from China will not only be

beneficial for the workers at Exxaro but also local artisans that are part of the maintenance team.

VR Steel recently broke into the North American market by delivering its first U.S manufactured dragline bucket to Three Oaks Mine in Texas. This bucket, which weighs 136,400 pounds, was shipped from Conroe, Texas, where it was built by local fabricators. Lauded for its innovative haul truck body design, VR Steel has delivered two of its biggest truck bodies, with 360 ton carrying capacity to Swakop Uranium mine in Namibia. Further delivery of truckbodies and buckets are expected to the Democratic Republic of Congo in the first quarter of 2014, and to a number of other Southern African mines.

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leveraging technologies, supporting and reinforcing its values through learning initiatives, making sure that these are career-focused and aligned with business objectives, and establishing life-long learning as the major thrust of learning and development.

**AFRICAN REPTILES & VENOM**

African Reptiles & Venom was founded in 1999, by lifelong snake enthusiast Mike Perry, to supply snake venom for antivenom manufacture. These antivenoms are suitable for treatment of snakebite in Sub-Sahara Africa. The main business of the company today comes from provide a Snake ID & Snakebite Treatment course. The course covers the recognition of dangerous snakes, the different venoms & symptoms of snakebite, the correct first aid treatment, the medical treatment and finally the recognition of allergies and their treatment. A Venomous snake handling course is offered as well. Approximately 5,500 people have been trained by Mike, with nobody being bitten by a snake during 12 years of courses. [www.africanreptiles-venom.co.za](http://www.africanreptiles-venom.co.za)

While its portfolio in coal, mineral sands, base metals and ferroalloys has been well documented, Exxaro has also recently been increasing its exposure to iron ore through

its interest in Sishen Iron Ore Company and its acquisition of African Iron in early 2012. Since assuming direct management and operational control of African Iron the company has completed a broad financial, technical and operational review of its projects in the Republic of Congo, one of the major ones being the Mayoko iron ore project.

Early findings from the project at Mayoko indicate that this mine has significant potential in terms of resource quality and size, with much of the groundwork for this near-term development opportunity in an emerging iron ore province already completed by African



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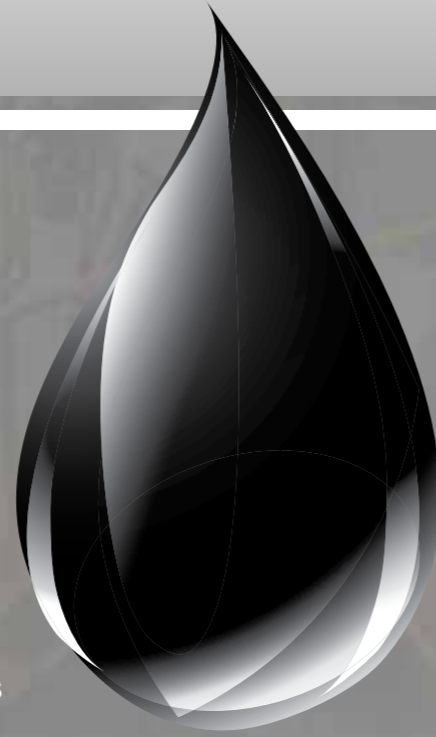
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Iron. The project currently has a JORC-compliant mineral resource of 685 metric tonnes of iron ore, consisting of a hematite cap of direct shipping ore (DSO) at 55 percent Fe and beneficial DSO ore at 41 percent Fe.

With a revised exploration programme and accelerated drilling, production began in 2013. This has already begun to be an economic boost for the small village of Mayoko and the broader region, from which much of the required labour will be drawn.

Exxaro is also currently investigating additional regional potential in terms of size and quality, with exploration drilling under way at Ngoubou-Ngoubou, adjacent to Mayoko, Mt Lekoumou and Mt Mipoundi.

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# R60 BILLION

Exxaro's market capitalisation  
as of the end of 2011

Prospects for iron ore from this region are promising and the shortfall in lump ore production, due to growing production from Brazil and India, means production of pellets could double by 2021. For Exxaro, unlocking the full potential of this opportunity will require an intense focus on capital intensity to move Mayako further down the US dollar per tonne scale, where it is already positioned in the lower half.

Exxaro has proven already time and again in South Africa that it has the expertise and experience to develop a large scale mining project from conceptual phase to production. The company's track record showcases its extensive engineering capabilities in design, operational expertise, maintenance and project management, as well as its experience with bulk mining, opencast and underground operations, beneficiation and downstream processing and value-added products. It is characteristics like these that leave little doubt that the future of the Mayako mine, and other projects yet to come, is in good hands. **BE**

For more information about  
Exxaro Resources visit:  
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