Tronox Ltd
Form S-4/A
August 28, 2013
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As filed with the Securities and Exchange Commission on August 27, 2013

No. 333-189308

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 4

to

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

TRONOX FINANCE LLC

Additional Registrants Listed on Schedule A Hereto

(Exact name of registrant as specified in its charter)

Delaware	2810	46-0699347
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

One Stamford Plaza
263 Tresser Boulevard, Suite 1100
Stamford, Connecticut 06901
(203) 705-3800
(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

Michael J. Foster

General Counsel

Tronox Limited

One Stamford Plaza

263 Tresser Boulevard, Suite 1106

Stamford, Connecticut 06901

(203) 705-3800

(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:

Christian O. Nagler

Kirkland & Ellis LLP

601 Lexington Avenue

New York, NY 10022

(212) 446-4800

Approximate date of commencement of proposed sale to the public:

The exchange will occur as soon as practicable after the effective date of this Registration Statement.

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 registered 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. ¨

Indicate by check mark whether the registrant is a large 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 Tender Offer): ¨

Exchange Act Rule 14d-1(d) (Cross Border Third-Party Tender Offer): ¨

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Amount of Registration Fee
6.375% Senior Notes due 2020	$900,000,000	$100%	$122,760(1)(4)
Guarantees on 6.375% Senior Notes due 2020(2)			(3)

(1) Calculated in accordance with Rule 457 under the Securities Act of 1933, as amended.
(2) The notes will be issued by Tronox Finance LLC (the Issuer) and initially guaranteed by the Issuer s parent company, Tronox Limited (the Parent), and certain of the subsidiaries of the Parent that guarantee the obligations under its credit facilities on the date the notes were issued.
(3) Pursuant to Rule 457(n), no separate fee is payable with respect to the guarantees being registered hereby.
(4) Previously paid.

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants 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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Schedule A

Other than Tronox Limited (the Parent), each of the entities listed below is 100% owned by Tronox Limited. The guarantees provided by each entity listed on this Schedule A will be joint and several, full and unconditional, subject to customary release provisions.

Exact Name of Additional Registrants	Jurisdiction of Incorporation or Formation	Principal Executive Offices	Primary Standard Industrial Classification Code Number	I.R.S. Employer Identification No.
Tronox Incorporated	Delaware	Tronox Technical Center 331 N.W. 150th Street P.O. Box 268859 Oklahoma City, OK 73134	2810	20-2868245
Tronox LLC	Delaware	Tronox Technical Center 331 N.W. 150th Street P.O. Box 268859 Oklahoma City, OK 73134	2810	41-2070700
Tronox US Holdings Inc.	Delaware	One Stamford Plaza 263 Tresser Boulevard, Suite 1100 Stamford, Connecticut 06901	2810	45-4154060
Tronox Australia Holdings Pty Limited	Western Australia, Australia	1 Brodie Hall Drive Technology Park Bentley, Australia 6102	2810	68-0682438
Tronox Australia Pigments Holdings Pty Limited	Western Australia, Australia	1 Brodie Hall Drive Technology Park Bentley, Australia 6102	2810	72-1621945
Tronox Global Holdings Pty Limited	Western Australia, Australia	1 Brodie Hall Drive Technology Park Bentley, Australia 6102	2810	98-1034351
Tronox Limited	Western Australia, Australia	1 Brodie Hall Drive Technology Park	2810	98-1026700

		Bentley, Australia 6102		
Tronox Pigments Australia Holdings Pty Limited	Western Australia, Australia	1 Brodie Hall Drive Technology Park Bentley, Australia 6102	2810	98-1034342
Tronox Pigments Australia Pty Limited	Western Australia, Australia	1 Brodie Hall Drive Technology Park Bentley, Australia 6102	2810	N/A
Tronox Pigments Western Australia Pty Limited	Western Australia, Australia	1 Brodie Hall Drive Technology Park Bentley, Australia 6102	2810	98-1034346

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Exact Name of Additional Registrants	Jurisdiction of Incorporation or Formation	Principal Executive Offices	Primary Standard Industrial Classification Code Number	I.R.S. Employer Identification No.
Tronox Pigments LLC	Delaware	Tronox Technical Center 331 N.W. 150th Street P.O. Box 268859 Oklahoma City, OK 73134	2810	46-1388039
Tronox Sands Holdings Pty Limited	Western Australia, Australia	1 Brodie Hall Drive Technology Park Bentley, Australia 6102	2810	98-1034353
Tronox Western Australia Pty Ltd	Western Australia, Australia	1 Brodie Hall Drive Technology Park Bentley, Australia 6102	2810	98-1065700
Tronox Worldwide Pty Limited	Western Australia, Australia	1 Brodie Hall Drive Technology Park Bentley, Australia 6102	2810	98-1095681
Tronox Holdings (Australia) Pty Limited	Western Australia, Australia	1 Brodie Hall Drive Technology Park Bentley, Australia 6102	2810	98-1065537
Tronox Investments (Australia) Pty Ltd	Western Australia, Australia	1 Brodie Hall Drive Technology Park Bentley, Australia 6102	2810	98-1065545
Tronox Australia Sands Pty Ltd	Western Australia, Australia	1 Brodie Hall Drive Technology Park Bentley, Australia	2810	98-1065692

		6102		
Ticor Resources Pty Ltd	Western, Australia, Australia	1 Brodie Hall Drive Technology Park Bentley, Australia 6102	2810	98-1065723
Ticor Finance (A.C.T.) Pty Ltd	Western Australia, Australia	1 Brodie Hall Drive Technology Park Bentley, Australia 6102	2810	98-1065754
TiO_2 Corporation Pty Ltd	Western Australia, Australia	1 Brodie Hall Drive Technology Park Bentley, Australia 6102	2810	98-1065736

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Exact Name of Additional Registrants	Jurisdiction of Incorporation or Formation	Principal Executive Offices	Primary Standard Industrial Classification Code Number	I.R.S. Employer Identification No.
Yalgoo Minerals Pty. Ltd.	Australia	1 Brodie Hall Drive Technology Park Bentley, Australia 6102	2810	98-1065554
Tific Pty. Ltd.	Australia	1 Brodie Hall Drive Technology Park Bentley, Australia 6102	2810	98-1065748
Synthetic Rutile Holdings Pty Ltd	Australia	1 Brodie Hall Drive Technology Park Bentley, Australia 6102	2810	98-1065744
Senbar Holdings Pty Ltd	Australia	1 Brodie Hall Drive Technology Park Bentley, Australia 6102	2810	98-1065698
Pigment Holdings Pty Ltd	Australia	1 Brodie Hall Drive Technology Park Bentley, Australia 6102	2810	98-1065556
Tronox Mineral Sales Pty Ltd	Australia	1 Brodie Hall Drive Technology Park Bentley, Australia 6102	2810	N/A
Tronox Management Pty Ltd	Australia	1 Brodie Hall Drive Technology Park	2810	N/A

		Bentley, Australia 6102		
Tronox International Finance LLP	United Kingdom	7 Abermarle Street London, W1S 4HQ United Kingdom	2810	98-1065448
Tronox Pigments Ltd.	Bahama Islands	Tronox Technical Center 3301 N.W. 150th Street Oklahoma City, OK 73134	2810	47-0934867
Tronox Holdings Europe C.V.	The Netherlands	1 Brodie Hall Drive Technology Park Bentley, Australia 6102	2810	98-0565177
Tronox Holdings Coöperatief U.A.	The Netherlands	World Trade Centre Amsterdam, Tower B, 17th Floor Strawinskylaan 1725 P.O. Box 7241 1007, JE Amsterdam	2810	98-1052521

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The information in this prospectus may change. We may not complete the exchange offer and issue these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer is not permitted.

ISSUED AUGUST 27, 2013

PRELIMINARY PROSPECTUS

Tronox Finance LLC

Exchange Offer for All Outstanding

$900 million 6.375% Senior Notes due 2020 and the guarantees thereon

(CUSIP: 897050AA8 & U8968XAA5)

We are offering to exchange:

up to $900 million of our new 6.375% Senior Notes due 2020 and the guarantees thereon that have been registered under the Securities Act of 1933, as amended

(which we refer to as the Exchange Notes)

for

a like amount of our outstanding 6.375% Senior Notes due 2020 and the guarantees thereon

(which we refer to as the Old Notes).

We refer to the Exchange Notes and Old Notes collectively as the notes.

Material Terms of Exchange Offer:

The terms of the Exchange Notes to be issued in the exchange offer are substantially identical to the Old Notes, except that the transfer restrictions and registration rights relating to the Old Notes will not apply to the Exchange Notes.

The Exchange Notes will be guaranteed by Tronox Limited, the Issuer s parent company (the Parent), and certain of the subsidiaries of the Parent that guarantee the obligations under our credit facilities on the date the notes are issued. The guarantees will be joint

and several, full and unconditional, subject to customary release provisions.

There is no existing public market for the Exchange Notes. We do not intend to list the Exchange Notes on any securities exchange or seek approval for quotation through any automated trading system.

You may withdraw your tender of notes at any time before the expiration of the exchange offer. We will exchange all of the Old Notes that are validly tendered and not withdrawn.

The exchange offer expires at 11:59 p.m., New York City time, on September 16, 2013, unless extended.

The exchange of Old Notes for the Exchange Notes should not be a taxable exchange for United States federal income tax purposes. See Material United States Federal Income Tax Considerations.

The exchange offer is subject to certain customary conditions, including that it not violate applicable law or any applicable interpretation of the Staff of the Securities and Exchange Commission (the SEC).

We will not receive any proceeds from the exchange offer.

For a discussion of certain factors that you should consider before participating in this exchange offer, see Risk Factors beginning on page 23 of this prospectus.

Neither the SEC nor any state securities commission has approved the notes to be distributed in the exchange offer, nor have any of these organizations determined that this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Each broker-dealer that receives Exchange Notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. A broker dealer who acquired Old Notes as a result of market making or other trading activities may use this exchange offer prospectus, as supplemented or amended from time to time, in connection with any resales of the Exchange Notes.

, 2013

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In this prospectus, references to R, Rand or South African Rand are to the legal currency of the Republic of South Africa. Certain monetary amounts, percentages and other figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated may not be the arithmetic aggregation of the percentages that precede them. In this prospectus, we, us, and our and the Company refer to Tronox Limited (as defined below) and, where appropriate, its subsidiaries, when discussing the business following completion of the Transaction (as defined below), and to Tronox Incorporated (as defined below) and, where appropriate, its subsidiaries, when discussing the business prior to completion of the Transaction unless expressly indicated or the context otherwise requires.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements regarding management s expectations, beliefs, strategies, goals, outlook and other non-historical matters. In some cases, you can identify these statements by forward-looking words such as may, might, will, should, expect, anticipate, believe, estimate, predict, potential, project, likely, can have or continue, and the negative of these terms and other co terminology. These forward-looking statements, which are subject to known and unknown risks, uncertainties and assumptions about us, may include projections of our future financial performance based on our growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements. In particular, you should consider the numerous risks and uncertainties outlined in Risk Factors.

These risks and uncertainties are not exhaustive. Other sections of this prospectus may include additional factors, which could adversely impact our business and financial performance. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for our management to predict all risks and uncertainties, nor can management assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy or completeness of any of these forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. We are under no duty to update any of these forward-looking statements after the date of this prospectus to conform our prior statements to actual results or revised expectations and we do not intend to do so.

We are committed to providing timely and accurate information to the investing public, consistent with our legal and regulatory obligations. To that end, we use our websites to convey information about our businesses, including the anticipated release of quarterly financial results, quarterly financial and statistical and business-related information. Investors can link to the Tronox Limited website through *http://www.tronox.com*. Our websites and the information contained therein or connected thereto shall not be deemed to be incorporated into this prospectus.

MARKET AND INDUSTRY DATA

This 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. We participate in various trade associations, such as the Titanium Dioxide Manufacturers Association (TDMA), and subscribes 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. Unless otherwise indicated, statements as to Tronox Limited (as defined below) and Tronox Incorporated (as defined below) combined market share and market position are based on TZMI 2012 Annual Reports, which are based on year-end 2011 reported figures. We also rely on certain information provided by TDMA in determining some of the management estimates referred to in this prospectus.

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SUMMARY

This summary highlights selected information contained in this prospectus and does not contain all the information that may be important to you. We urge you to read carefully this prospectus in its entirety. For additional information see the section entitled Where You Can Find Additional Information.

Unless otherwise indicated or required by context, as used in this prospectus, references to we, us, and our refer to Tronox Limited (as defined below), when discussing the business following completion of the Transaction (as defined below), and to Tronox Incorporated (as defined below), when discussing the business prior to completion of the Transaction.

Our Company

Overview

Tronox Limited, a public limited company registered under the laws of the State of Western Australia, Australia, and its subsidiaries (collectively referred to as Tronox or the Company) is a global leader in the production and marketing of titanium- bearing mineral sands and titanium dioxide pigment (TiO). Our world-class, high performance TiO_2 products are critical components of everyday applications such as paint and other coatings, plastics, paper and other applications. Our mineral sands business consists 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. We have global operations in North America, Europe, South Africa and Australia.

Tronox Limited was formed on September 21, 2011 for the purpose of the Transaction (see below). Prior to the completion of the Transaction, the Company was wholly-owned by Tronox Incorporated, and had no operating assets or operations. Tronox Incorporated, a Delaware corporation (Tronox Incorporated), was formed on May 17, 2005, in preparation for the contribution and transfer by Kerr-McGee Corporation of certain entities, including those comprising substantially all of its chemical business into a separate operating company.

For the three and six months ended June 30, 2013, we had net sales of $525 million and $995 million, adjusted EBITDA of $101 million and $174 million and a net loss attributable to Tronox Limited of $13 million and $70 million, respectively. As of June 30, 2013, we had approximately $2,408 million of total indebtedness outstanding. For the year ended December 31, 2012, we had net sales of $1,832 million, adjusted EBITDA of $503 million and net income attributable to Tronox Limited of $1,134 million. As of December 31, 2012, we had approximately $1,645 million of total indebtedness outstanding.

Acquisition of Mineral Sands Operations

Consistent with our strategy to become a fully integrated global producer of mineral sands and TiO_2 with production facilities and sales and marketing presence strategically positioned throughout the world, on June 15, 2012 (the Transaction Date), we combined the existing business of Tronox Incorporated with Exxaro Resources Ltd s (Exxaro) mineral sands operations, which includes its Namakwa Sands and KwaZulu-Natal (KZN) Sands mines, separation and slag furnaces in South Africa, along with Exxaro s 50% share of the Tiwest Joint Venture in Western Australia (together, the mineral sands business) (the Transaction).

The Transaction was completed in two principal steps. First, Tronox Incorporated became a subsidiary of Tronox Limited, with Tronox Incorporated shareholders receiving one Class A ordinary share (Class A Share) and $12.50 in cash (Merger Consideration) for each Tronox Incorporated common share. Second, Tronox Limited issued 9,950,856 Class B ordinary shares (Class B Shares) to Exxaro and one of its subsidiaries in

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consideration for the mineral sands business. Upon completion of the Transaction, former Tronox Incorporated shareholders held 15,413,083 Class A Shares and Exxaro held 9,950,856 Class B Shares, representing approximately 60.8% and 39.2%, respectively, of the voting power in Tronox Limited. Exxaro retained a 26% ownership interest in the South African operations that are part of the mineral sands business in order to comply with the Black Economic Empowerment (BEE) legislation of South Africa.

During 2012, we repurchased approximately 12.6 million Class A Shares, which was approximately 10% of our total voting securities. During October 2012, Exxaro purchased 1.4 million Class A Shares in market purchases. At June 30, 2013 and December 31, 2012, Exxaro held approximately 44.4% and 44.6%, respectively, of our voting securities.

Prior to the Transaction Date, Tronox Incorporated and Exxaro Australia Sands Pty Ltd., a subsidiary of Exxaro, operated the Tiwest Joint Venture, which included a chloride process TiO_2 plant located in Kwinana, Western Australia, a mining operation in Cooljarloo, Western Australia, and a mineral separation plant and a synthetic rutile processing facility, both in Chandala, Western Australia. As part of the Transaction, we acquired Exxaro Australia Sands Pty Ltd. and therefore Exxaro s 50% interest in the Tiwest Joint Venture. As such, as of the Transaction Date, we own 100% of the operations formerly operated by the Tiwest Joint Venture.

Principal Business Lines

Subsequent to the Transaction, we have two reportable operating segments, Mineral Sands and Pigment. Additionally, our corporate activities include our electrolytic manufacturing and marketing operations.

Mineral Sands Operations

The Mineral Sands segment includes the exploration, mining and beneficiation of mineral sands deposits. Mineral sands refers to concentrations of heavy minerals in an alluvial environment (sandy or sedimentary deposits near a sea, river or other water source). We separate these minerals from these primary sources. We process ilmenite into either slag or synthetic rutile. Other than zircon, all of these materials are sometimes referred to as titanium feedstock. Titanium feedstock is the most significant raw material used in the manufacture of TiO_2.

We acquired the mineral sands business from Exxaro on the Transaction Date. The mineral sands business operations are comprised of the KZN Sands and Namakwa Sands mines, both located in South Africa, and Cooljarloo Sands mine located in Western Australia, which have a combined production capacity of 753,000 metric tons (tonnes) of titanium feedstock and 265,000 tonnes of zircon. 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. The Tiwest operations conduct the exploration, mining and processing of mineral sands deposits and the production of titanium dioxide pigment in Western Australia.

We are the third largest global producer of titanium feedstock and a global leader in zircon production. 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 for the manufacture of ceramics, a market which has grown substantially during the previous decade and is favorably positioned to long-term development trends in the emerging markets, principally China.

The table set forth under The Businesses Property Mineral Reserves summarizes Tronox Limited s proven and probable ore reserves and estimated mineral resources as of December 31, 2012.

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Pigment Operations

We are the world s third-largest producer and marketer of TiO_2 manufactured via chloride technology. The pigment segment primarily produces and markets TiO_2, and has production facilities at the following locations: Hamilton, Mississippi; Botlek, the Netherlands; and Kwinana, Western Australia, representing an aggregate of 465,000 tonnes of annual TiO_2 production capacity.

TiO_2 is used in a wide range of products due to its ability to impart whiteness, brightness and opacity, and is designed, marketed and sold based on specific end-use applications. TiO_2 is used extensively in the manufacture of paint and other coatings, plastics and paper and in a wide range of other applications, including inks, fibers, rubber, food, cosmetics and pharmaceuticals. According to TZMI data, the paint and coatings sector is the largest consumer of pigment averaging approximately 58% of total pigment consumption in 2011. The plastics sector accounted for approximately 22% of TiO_2 consumption in 2011, while the remaining 20% was divided between paper, inks, fibers and other.

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. TiO_2 is considered to be a quality of life product and some research indicates that consumption generally increases as disposable income increases. We believe that, at present, TiO_2 has no effective mineral 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.

We 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 ten years. These top ten customers represented approximately 46% of our total TiO_2 sales in 2012. The tables below summarize our 2012 TiO_2 sales volume by geography and end-use market:

2012 Sales Volume by Geography		2012 Sales Volume by End-Use Market	
Americas	48%	Paints and Coatings	78%
Europe	24%	Plastics	19%
Asia-Pacific	28%	Paper and Specialty	3%

We operate three TiO_2 facilities at the following locations: Hamilton, Mississippi; Botlek, the Netherlands; and Kwinana, Australia, representing an aggregate of 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.

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 electrolytic manganese dioxide (EMD) and boron products.

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Industry Background and Outlook

Titanium Feedstock Industry Background and Outlook

Titanium feedstock is considered to be a single 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 generally source a variety of feedstock grades, and supply a wide variety of feedstock grades to the TiO_2 producers.

Titanium minerals (ilmenite, rutile and leucoxene), titanium slag (chloride slag and sulphate slag) and synthetic rutile are all used primarily as feedstock for the production of TiO_2 pigment. According to the latest data provided by TZMI, approximately 90% of the world s consumption of titanium feedstock is used for the production of TiO_2 pigment.

There are a small number of large mining companies or groups that are involved in the production of titanium feedstock. We believe we are the third largest titanium feedstock producer with approximately 10% of global titanium feedstock production. Rio Tinto, through its ownership of Canadian based Fer et Titane, its share in Richards Bay Minerals (RBM) in South Africa and ownership of QMM Madagascar, is the largest producer of titanium feedstock in the world. Australian-based Iluka Resources Limited is the second largest manufacturer, with operations in Australia and the United States. A number of other manufacturers, such as Cristal Global (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 titanium feedstock to the global market.

Beyond our structurally assured, relative low cost position, our competitive advantages are our depth of experience in various mining methods and technologies, our ability and know-how to produce upgraded products by means of direct current smelting of ilmenite and the synthetic rutile process, and our capacity to market zircon and rutile for use in a broad range of end-use applications. We are furthermore in a position to supply TiO_2 feedstock, zircon and high purity pig iron from any one of several production units in different geographical locations.

Although we use agents and distribution for some sales in the Asia-Pacific region, direct relationship marketing is the primary technique that we employ for the marketing of titanium feedstocks. Multi-year contracts are negotiated with periodic pricing for the pigment industry, while the contract period for other industries tends to be less than one year (either per shipment, quarterly, half-year or one year). Pricing for titanium feedstocks is usually adjusted either on a quarterly or half-year basis. In some instances, we use traders or agents for the sale of titanium feedstocks.

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.

Zircon Industry Background and Outlook

Zircon is extracted, alongside ilmenite and rutile, as part of the initial mineral sands beneficiation process. Zircon is a mineral which is primarily used as an additive in ceramic glazes to add hardness, which makes the ceramic glaze more water, chemical and abrasion resistant. It 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.

Zircon typically represents a relatively low proportion of heavy mineral sands mining but has high value compared to other heavy mineral products, resulting in it contributing a significant portion to total revenue. Refractories containing zircon are expensive and are only used in demanding, high-wear and corrosive

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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. Historically, zircon has constituted a relatively minor part of the total value produced as a result of the mining and processing of titanium minerals. However, from early 2000, zircon has increased in value as a co-product, although it remains dependent on the mining of titanium minerals for its supply.

Pigment Industry Background and Outlook

TiO_2 is used in a wide range of products due to its ability to impart whiteness, brightness and opacity, and is designed, marketed and sold based on specific end-use applications. TiO_2 is used extensively in the manufacture of paint and other coatings, plastics and paper and in a wide range of other applications, including inks, fibers, rubber, food, cosmetics and pharmaceuticals. According to TZMI data, the paint and coatings sector is the largest consumer of pigment averaging approximately 58% of total pigment consumption in 2011. The plastics sector accounted for approximately 22% of TiO_2 consumption in 2011, while the remaining 20% was divided between paper, inks, fibers and other.

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. TiO_2 is considered to be a quality of life product and some research indicates that consumption generally increases as disposable income increases. We believe that, at present, TiO_2 has no effective mineral 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.

According to the latest TZMI data, industry production capacity grew to 6.4 million tonnes from 6 million tonnes in the prior year. The global market in which our TiO_2 business operates is competitive. Competition is based on a number of factors such as price, product quality and service. We face competition from major international producers, including DuPont, Cristal Global, Huntsman, and Kronos, as well as smaller regional competitors such as Sachtleben Chemie GmbH and Ishihara Sangyo Kaisha, which operate multiple plants on single continents. We estimate that, based on nameplate capacity, these seven companies accounted for more than 64% of the global market share. During 2012, we had global TiO_2 production capacity of 465,000 tonnes per year, which was approximately 7% of global pigment capacity. In addition to the major competitors discussed above, we compete with numerous smaller, regional producers, including producers in China that have expanded their sulphate production capacity during the previous five years.

Worldwide, we believe that we and the other major producers mentioned above are the only companies that have perfected and successfully commercialized the chloride process technology for the production of TiO_2. According to TZMI, among the seven largest multi-national producers, 77% of available capacity uses the chloride process, compared to smaller producers who, on average, produce 6% of products using the chloride process, whileTiO_2 produced using chloride process technology is generally preferred for some TiO_2 end-use and specialty applications.

We have global operations with production facilities and a sales and marketing presence in the Americas, Europe and the Asia-Pacific regions. Our global presence enables us to sell our products to a diverse portfolio of customers with whom we have well-established relationships.

In recent years, demand growth has increased in Asia-Pacific, Central and Eastern Europe, the Middle East and Africa and South America more than in the mature economies of North America, Western Europe and Japan. Capacity growth over the next ten or so years is expected to be driven by the above global average demand growth in such emerging markets. While there are several chloride projects planned in China, it is unlikely that they will contribute any significant output before 2014. The probability of new greenfield projects (locations where there is not an existing infrastructure) is limited, given the limitations in feedstock supply, as well as

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financial risks associated with the large investments in a facility, a long lead time and difficulty in achieving permitting (in particular, environmental permitting). As a result no significant new chloride TiO_2 facility has been built since 1994; however, over the years, the industry has increased capacity through expansion of existing plants and debottlenecking, and we expect this to continue going forward.

TiO_2 is produced using one of two commercial production processes: the chloride process and the sulphate process. The chloride process is a newer technology, and we believe it has several advantages over the sulphate process: it generates less waste, uses less energy, is less labor intensive and permits the direct recycle of chlorine, a major process chemical, back into the production process. The sulphate process can use lower quality (and therefore less expensive) feedstock. 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 sulphate process, some customers prefer rutile produced using the chloride process because it typically has a bluer undertone and greater durability.

We are one of a limited number of TiO_2 producers in the world with chloride production technology. 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 50% of industry-wide capacity globally. All of our TiO_2 is produced using the chloride process.

Our Competitive Strengths

Leading Global Market Positions

We are among the world s largest producers and marketers of TiO_2 products with approximately 7% of of global pigment capacity in 2012, and one of the world s largest integrated TiO_2 producers. We are the third largest global producer and marketer 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. We are the third largest titanium feedstock producer and a leader in 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 provides us with a competitive advantage in retaining existing customers and obtaining new business.

Well Positioned to Capitalize on Trends in the Feedstock and TiO_2 Industries

We believe the markets in which we participate have been, and will be, supply-constrained over the medium term. In the medium term, we anticipate no extended periods during which the supply of higher grade titanium feedstock and TiO_2 will exceed demand for each of these products. Because our production of titanium feedstock exceeds or required consumption, we believe that we will be well positioned to benefit from these market conditions.

Vertically Integrated Platform with Security of Titanium Feedstock Supply

As of June 30, 2013, our integration plan is on track to more fully demonstrate the material cost advantages it gives us. The vertical integration of titanium feedstock and TiO_2 production provides us with a secure and cost competitive supply of high grade titanium feedstock over the long-term. Our ability to supply all of the feedstock

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that our pigment operations require enables us to balance our consumption and sales in ways that we believe our competitors cannot. During the first quarter of 2013, titanium feedstock sold internally to the pigment segment increased. As a result, during the first quarter of 2013, we cancelled contracts with two external ore suppliers.

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 us 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. Our plant in Kwinana, Australia is well positioned to service growing demand from Asia. Our Botlek facility in the Netherlands services our European customers and certain specialized applications globally. Combined with our titanium feedstock assets in South Africa and Australia, this network of TiO_2 and titanium feedstock facilities gives 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 sulphate 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 sulphate 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.

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 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 grow the company and to enhance our shareholder equity value by optimizing the beneficial effects of our present business attributes. We expect to implement this strategy through a disciplined

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focus on cost reduction and operating efficiencies. We also plan to grow the business through a combined focus on the expanded production of our existing products and through strategic acquisitions and business partnerships in areas related to our industry to increase our standing in our global markets.

More specifically, 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 currently have TiO2 manufacturing facilities designed to produce approximately 465,000 tonnes of TiO2 annually. We expect that (assuming variable conversion 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 take advantage of the integrated nature and scale of the combined business, which provides the opportunity to capitalize on a wide range of 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 provide us with a solid platform for future growth in the TiO2, titanium feedstock, zircon and pig iron markets. Our broad product offering allows 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 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 continue to 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 is to continually enhance our product portfolio with high-quality, market-driven product development. We design our

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TiO2 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. We continue to execute on product improvement initiatives for our major coatings and plastics products. These improvement strategies will provide value in the form of better optical properties, stability, and durability to our customers. Further, new and enhanced grades are in the pipeline for 2013 and 2014.

Principal Executive Offices

Our principal executive offices are located at One Stamford Plaza, 263 Tresser Boulevard, Suite 1100, Stamford, Connecticut 06901 and 1 Brodie Hall Drive, Technology Park, Bentley, Australia 6102. Our telephone number in the United States is (203) 705-3800. Our website address is http://www.tronox.com. Our website and the information contained on our website are not part of this prospectus.

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Corporate Structure

The following diagram is a simplified illustration of our corporate structure:

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SUMMARY OF EXCHANGE OFFER

On August 20, 2012, we sold, through a private placement exempt from the registration requirements of the Securities Act of 1933, as amended (the Securities Act), $900 million of our 6.375% Senior Notes due 2020, which are eligible to be exchanged for Exchange Notes. We refer to the 6.375% Senior Notes due 2020 as Old Notes in this prospectus.

Simultaneously with the private placement, we entered into a registration rights agreement with the initial purchasers of the Old Notes (as amended, the Registration Rights Agreement). Under the Registration Rights Agreement, we are required to use our reasonable best efforts to cause a registration statement for substantially identical Notes, which will be issued in exchange for the Old Notes, to be filed with the SEC as soon as practicable after the date of issuance of the Old Notes and to cause such registration statement to become effective within 360 days of the date of issuance of the Old Notes. We refer to the notes to be registered under this exchange offer registration statement as Exchange Notes and collectively with the Old Notes, we refer to them as the notes in this prospectus. You may exchange your Old Notes for the applicable Exchange Notes in this exchange offer. You should read the discussion under the headings Summary of Exchange Offer, Exchange Offer and Description of Notes for further information regarding the Exchange Notes.

Securities Offered	$900 million aggregate principal amount of new 6.375% Senior Notes due 2020 and guarantees thereon (the Exchange Guarantees).
Exchange Offer	We are offering to exchange the Old Notes for a like principal amount at maturity of the Exchange Notes. Old Notes may be exchanged only in minimum principal amounts of $2,000 and integral multiples of $1,000 in excess thereof. The exchange offer is being made pursuant to the Registration Rights Agreement, which grants the initial purchasers and any subsequent holders of the Old Notes certain exchange and registration rights. This exchange offer is intended to satisfy those exchange and registration rights with respect to the Old Notes. After the exchange offer is complete, you will no longer be entitled to any exchange or registration rights with respect to your Old Notes.
Expiration Date; Withdrawal of Tender	The exchange offer will expire at 11:59 p.m., New York City time, on September 16, 2013, or a later time if we choose to extend this exchange offer in our sole and absolute discretion. You may withdraw your tender of Old Notes at any time prior to 11:59 p.m., New York City time on the expiration date. All outstanding Old Notes that are validly tendered and not validly withdrawn will be exchanged. Any Old Notes not accepted by us for exchange for any reason will be returned to you at our expense promptly after the expiration or termination of the exchange offer.
Resales	We believe that you can offer for resale, resell and otherwise transfer the Exchange Notes without complying with the registration and prospectus delivery requirements of the Securities Act so long as: you acquire the Exchange Notes in the ordinary course of business;

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you are not participating, do not intend to participate, and have no arrangement or understanding with any person to participate, in the distribution of the Exchange Notes;

you are not an affiliate of ours; and

you are not a broker-dealer.

If any of these conditions is not satisfied and you transfer any Exchange Notes without delivering a proper prospectus or without qualifying for a registration exemption, you may incur liability under the Securities Act. We do not assume, or indemnify you against, any such liability.

Broker-Dealer

Each broker-dealer acquiring Exchange Notes issued for its own account in exchange for Old Notes, which it acquired through market-making activities or other trading activities, must acknowledge that it will deliver a proper prospectus when any Exchange Notes issued in the exchange offer are transferred. A broker-dealer may use this prospectus for an offer to resell, a resale or other retransfer of the Exchange Notes issued in the exchange offer.

Conditions to the Exchange Offer

Our obligation to accept for exchange, or to issue the Exchange Notes in exchange for, any Old Notes is subject to certain customary conditions, including our determination that the exchange offer does not violate any law, statute, rule, regulation or interpretation by the Staff of the SEC or any regulatory authority or other foreign, federal, state or local government agency or court of competent jurisdiction, some of which may be waived by us. We currently expect that each of the conditions will be satisfied and that no waivers will be necessary. See Exchange Offer Conditions to the Exchange Offer.

Procedures for Tendering Old Notes Held in the Form of Book-Entry Interests

The Old Notes were issued as global securities and were deposited upon issuance with Wilmington Trust, National Association, which issued uncertificated depositary interests in those outstanding Old Notes, which represent a 100% interest in those Old Notes, to The Depository Trust Company (DTC).

Beneficial interests in the outstanding Old Notes, which are held by direct or indirect participants in DTC, are shown on, and transfers of the Old Notes can only be made through, records maintained in book-entry form by DTC.

You may tender your outstanding Old Notes by instructing your broker or bank where you keep the Old Notes to tender them for you. In some cases you may be asked to submit the letter of transmittal that may accompany this prospectus. By tendering your Old Notes you will be deemed to have acknowledged and agreed to be bound by the terms set forth under Exchange Offer.

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	Your outstanding Old Notes must be tendered in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof.
	In order for your tender to be considered valid, the exchange agent must receive a confirmation of book-entry transfer of your outstanding Old Notes into the exchange agent s account at DTC, under the procedure described in this prospectus under the heading Exchange Offer, on or before 11:59 p.m., New York City time, on the expiration date of the exchange offer.
United States Federal Income Tax Considerations	The exchange offer should not result in any income, gain or loss to the holders of Old Notes or to us for United States federal income tax purposes. See Material United States Federal Income Tax Considerations.
Use of Proceeds	We will not receive any proceeds from the issuance of the Exchange Notes in the exchange offer.
Exchange Agent	Wilmington Trust, National Association is serving as the exchange agent for the exchange offer.
Shelf Registration Statement	In limited circumstances, holders of Old Notes may require us to register their Old Notes under a shelf registration statement.

CONSEQUENCES OF NOT EXCHANGING OLD NOTES

If you do not exchange your Old Notes in the exchange offer, your Old Notes will continue to be subject to the restrictions on transfer currently applicable to the Old Notes. In general, you may offer or sell your Old Notes only:

- if they are registered under the Securities Act and applicable state securities laws;
- if they are offered or sold under an exemption from registration under the Securities Act and applicable state securities laws; or
- if they are offered or sold in a transaction not subject to the Securities Act and applicable state securities laws.

We do not currently intend to register the Old Notes under the Securities Act. Under some circumstances, however, holders of the Old Notes, including holders who are not permitted to participate in the exchange offer or who may not freely resell Exchange Notes received in the exchange offer, may require us to file, and to cause to become effective, a shelf registration statement covering resales of notes by these holders. For more information regarding the consequences of not tendering your Old Notes and our obligation to file a shelf registration statement, see Exchange Offer Consequences of Failure to Exchange, and Description of Notes Registration Rights Agreement.

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SUMMARY OF TERMS OF EXCHANGE NOTES

The summary below describes the principal terms of the Exchange Notes, the guarantees and the related indentures. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Description of Notes section of this prospectus contain more detailed descriptions of the terms and conditions of the notes and the related indentures.

Issuer	Tronox Finance LLC.
Securities offered	$900 million in aggregate principal amount of new 6.375% Senior Notes due 2020.
Maturity date	The Exchange Notes will mature on August 15, 2020.
Interest rate	The Exchange Notes will accrue interest at the rate of 6.375% per annum.
Interest payment dates	Interest on the Exchange Notes will be payable on February 15 and August 15 of each year, commencing on August 15, 2013.
Ranking	The Exchange Notes and the Exchange Guarantees will be general unsecured senior obligations of the Issuer and each guarantor, respectively, and will rank equally in right of payment with all of the Issuer s and the guarantors respective existing and future unsecured senior indebtedness; will rank senior in right of payment to existing and future subordinated indebtedness of the Issuer or the guarantors, respectively; will be effectively subordinated to all of the Issuer s and the guarantors respective existing and future secured indebtedness to the extent of the assets securing such indebtedness; and will be structurally subordinated to all existing and future indebtedness and other liabilities of subsidiaries of the Parent that do not guarantee the notes.
Guarantees	The Exchange Notes will be guaranteed by the Parent and all of the subsidiaries of the Parent that guarantee any obligations under the credit facilities on the date the Old Notes were issued. Restricted subsidiaries of the Parent that incur or guarantee any indebtedness under certain of our credit facilities are required to become guarantors of the notes, other than excluded entities. Each guarantee will be joint and several, full and unconditional, subject to customary release provisions. See Description of Notes The Note Guarantees.

Optional Redemption	The Issuer has an option to redeem all or a portion of the Exchange Notes at any time before August 15, 2015, at a redemption price equal to 100% of the aggregate principal amount of the notes to be

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	redeemed plus a make-whole premium and accrued and unpaid interest and additional interest, if any, up to, but excluding, the redemption date. The Issuer also has the option to redeem all or a portion of the Exchange Notes at any time on or after August 15, 2015 at the redemption prices set forth in this prospectus plus accrued and unpaid interest and additional interest, if any, up to, but excluding, the redemption date. In addition, before August 15, 2015, the Issuer may redeem up to 35% of the aggregate principal amount of the Exchange Notes with the net cash proceeds of certain equity offerings at a redemption price equal to 106.375% of the aggregate principal amount of the Exchange Notes to be redeemed plus accrued and unpaid interest and additional interest, if any, up to, but excluding, the redemption date. See Description of Notes Optional Redemption.
Mandatory Offers to Purchase	The occurrence of certain changes of control will be a triggering event requiring the Issuer to offer to purchase from you all or a portion of your Exchange Notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest and additional interest, if any, up to, but excluding, the date of purchase. Certain asset dispositions will be triggering events which may require the Issuer to use the proceeds from those asset dispositions to make an offer to purchase the Exchange Notes at 100% of their principal amount, plus accrued and unpaid interest and additional interest, if any, up to, but excluding, the date of purchase.
Certain covenants	The indenture governing the Exchange Notes contains, among other things, covenants limiting our ability and the ability of our restricted subsidiaries to: incur certain additional indebtedness and issue preferred stock; make certain dividends, distributions, investments and other restricted payments; sell certain assets; incur liens; agree to any restrictions on the ability of restricted subsidiaries to make payments to us;

consolidate or merge with or into, or sell substantially all of our assets to, another person;

enter into transactions with affiliates; and

enter into new lines of business.

These covenants will be subject to a number of important exceptions and qualifications. For more details, see Description of Notes.

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Events of default	For a discussion of events that will permit acceleration of the payment of the principal of and accrued interest on the Exchange Notes, see Description of the Notes Events of Default.
No prior market	The Exchange Notes will be new securities for which there is currently no market. We cannot assure you as to the liquidity of markets that may develop for the Exchange Notes, your ability to sell the notes or the price at which you would be able to sell the Exchange Notes. See Risk Factors Risks related to the Exchange Notes There is no existing public trading market for the Exchange Notes, and your ability to sell such notes will be limited.
Listing	We do not intend to list the Exchange Notes on any securities exchange.
Use of proceeds	We will not receive any proceeds from the issuance of the Exchange Notes.
Form and denomination	The Exchange Notes will be delivered in fully-registered form. The Exchange Notes will be represented by one or more global notes, deposited with the trustee as a custodian for DTC and registered in the name of Cede & Co., DTC s nominee. Beneficial interests in the global notes will be shown on, and any transfers will be effective only through, records maintained by DTC and its participants. The Exchange Notes will be issued in denominations of $2,000 and integral multiples of $1,000.
Governing law	The Exchange Notes and the indentures governing the Exchange Notes will be governed by, and construed in accordance with, the laws of the State of New York.
Trustee	Wilmington Trust, National Association

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SUMMARY HISTORICAL AND PRO FORMA CONSOLIDATED FINANCIAL AND OTHER DATA

The following table sets forth selected historical and pro forma financial data for the periods indicated. The statement of operations data and supplemental information for the three and six months ended June 30, 2013 reflect the consolidated operating results of Tronox Limited. The statement of operations data and supplemental information for the three and six months ended June 30, 2012 and the year ended December 31, 2012 reflect the consolidated operating results of Tronox Incorporated prior to June 15, 2012, and, from June 15, 2012 through June 30 or December 31, 2012, reflect the consolidated operating results of Tronox Limited. The statement of operations data and the supplemental information for the eleven months ended December 31, 2011, one month ended January 31, 2011, and years ended December 31, 2010, 2009 and 2008 reflect the consolidated operating results of Tronox Incorporated. Tronox Limited s unaudited pro forma condensed combined statement of operations for the year ended December 31, 2012, is presented as if the Transaction had been completed on January 1, 2012. The balance sheet data at June 30, 2013 and 2012 and December 31, 2012 relates to Tronox Limited. The balance sheet data at December 31, 2011, 2010, 2009 and 2008 relates to Tronox Incorporated.

The historical financial statements have been adjusted in the unaudited pro forma condensed combined statement of operations to give effect to pro forma events that are (i) directly attributable to the Transaction; (ii) factually supportable; and (iii) expected to have a continuing impact on the combined results. The unaudited pro forma condensed combined statement of operations excludes non-recurring items, including, but not limited to the bargain purchase gain realized on the Transaction and Transaction-related legal and advisory fees. Additionally, certain pro forma adjustments have been made to the historical combined statement of operations of Exxaro Mineral Sands in order to (i) convert it to accounting principles generally accepted in the United States (GAAP); (ii) conform the accounting and presentation policies to those applied by Tronox Incorporated; and (iii) present it in U.S. dollars.

This information should be read in conjunction with the unaudited Tronox Limited Condensed Consolidated Financial Statements (including the notes thereto) for the three and six months ended June 30, 2013 and 2012, the Tronox Limited Consolidated Financial Statements (including the notes thereto) for the years ended December 31, 2012, 2011 and 2010, the Exxaro Mineral Sands Combined Financial Statements (including the notes thereto) for the years ended December 31, 2011, 2010 and 2009, Management s Discussion and Analysis of Financial Condition and Results of Operations, and Unaudited Pro Forma Condensed Combined Statement of Operations appearing elsewhere in this prospectus.

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	Successor				Successor Pro Forma	Successor			Predecessor		
	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012	Year Ended December 31, 2012	Year Ended December 31, 2012	Eleven Months Ended December 31, 2011	One Month Ended January 31, 2011	Year Ended December 31, 2010	2009	2008
	(Millions of dollars, except per share data)										
Statement of Operations Data:											
Net Sales	$ 525	$ 429	$ 995	$ 863	$ 2,120	$ 1,832	$ 1,543	$ 108	$ 1,218	$ 1,070	$ 1,246
Cost of goods sold	475	304	913	581	(1,640)	(1,568)	(1,104)	(83)	(996)	(932)	(1,133)
Gross Margin	50	125	82	282	480	264	439	25	222	138	113
Selling, general and administrative expenses	41	103	92	147	(184)	(239)	(152)	(5)	(59)	(72)	(114)
Litigation/arbitration settlement							10				
Gain on land sales										1	25
Impairment of long-lived assets(1)											(25)
Restructuring charges(2)										(17)	(10)
Net loss on deconsolidation of subsidiary										(24)	
Provision for environmental remediation and restoration, net of reimbursements(3)							5		47		(73)
Income (Loss) from Operations	9	22	(10)	135	296	25	302	20	210	26	(84)
Interest and debt expense(4)	(35)	(14)	(62)	(22)	(110)	(65)	(30)	(3)	(50)	(36)	(54)
Loss on extinguishment of debt			(4)								
Other income (expense)	26	(3)	32	(4)	(39)	(7)	(10)	2	(8)	(11)	(10)
Gain on bargain purchase		1,055		1,055		1,055					
Reorganization income (expense)								613	(145)	(10)	
Income (Loss) from Continuing Operations before Income Taxes		1,060	(44)	1,164	147	1,008	262	632	7	(31)	(148)
Income tax benefit (provision)	(1)	84	(2)	66	54	125	(20)	(1)	(2)	2	2
Income (Loss) from Continuing Operations	(1)	1,144	(46)	1,230	201	1,133	242	631	5	(29)	(146)
Income (Loss) from discontinued operations, net of income tax benefit (provision)									1	(10)	(189)
Net Income (Loss)	(1)	1,144	(46)	1,230	201	1,133	242	631	6	(39)	(335)
Income (Loss) attributable to noncontrolling interest	12		24		30	1					
Net Income (Loss) attributable to Tronox Limited Shareholders	$ (13)	$ 1,144	$ (70)	$ 1,230	$ 171	$ 1,134	$ 242	$ 631	$ 6	$ (39)	$ (335)
Earnings (Loss) from Continuing Operations per Share(5):											
Basic	$ (0.11)	$ 13.46	$ (0.62)	$ 15.31	$ 1.41	$ 11.37	$ 3.22	$ 15.28	$ 0.11	$ (0.70)	$ (3.55)
Diluted	$ (0.11)	$ 13.00	$ (0.62)	$ 14.74	$ 1.38	$ 11.10	$ 3.10	$ 15.25	$ 0.11	$ (0.70)	$ (3.55)

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	Successor				Successor Pro Forma	Successor			Predecessor		
	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012	Year Ended December 31, 2012	Year Ended December 31, 2012	Eleven Months Ended December 31, 2011	One Month Ended January 31, 2011	Year Ended December 31, 2010	2009	2008
	(Millions of dollars, except per share data)										
Balance Sheet Data:											
Working capital(6)			$ 2,318	$ 1,232		$ 1,706	$ 488	$ 458	$ 483	$ 489	$ (247)
Property, plant and equipment, net and Mineral leasehold, net			$ 2,630	$ 2,918		$ 2,862	542	318	316	314	347
Total assets			$ 5,847	$ 5,111		$ 5,511	$ 1,657	$ 1,091	$ 1,098	$ 1,118	$ 1,045
Noncurrent liabilities:											
Long-term debt(6)			$ 2,390	$ 712		$ 1,605	$ 421	$ 421	$ 421	$ 423	$
Environmental remediation and/or restoration(7)							1	1	1		546
All other noncurrent liabilities			$ 531	$ 470		557	203	153	154	50	125
Total liabilities(9)			$ 3,257	$ 1,700		$ 2,629	$ 905	$ 848	$ 828	$ 683	$ 1,642
Liabilities subject to compromise						$	$	$ 897	$ 900	$ 1,048	$
Total equity			$ 2,590	$ 3,412		$ 2,882	$ 752	$ (654)	$ (630)	$ (613)	$ (598)
Supplemental Information:											
Depreciation, depletion and amortization expense	$ 73	$ 31	$ 146	$ 53	$ 282	$ 211	$ 79	$ 4	$ 50	$ 53	$ 76
Capital expenditures	$ 34	$ 27	$ 79	$ 48		$ 166	$ 133	$ 6	$ 45	$ 24	$ 34
EBITDA(8)	$ 107	$ 1,105	$ 162	$ 1,239	$ 539	$ 1,284	$ 371	$ 639	$ 108	$ 49	$ (207)
Adjusted EBITDA(8)	$ 101	$ 147	$ 174	$ 298	$ 741	$ 503	$ 468	$ 24	$ 203	$ 142	$ 99

(1) In 2008, Tronox Incorporated recorded impairment charges for long-lived assets of approximately $3 million related to Savannah, Georgia, and approximately $22 million related to Botlek, the Netherlands.

(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 certain legacy liabilities, the obligation for this clean-up work had been recorded in 2008 and prior years.

(4) Excludes $3 million, $33 million and $32 million in the one month ended January 31, 2011 and years ended December 31, 2010 and 2009, respectively, that would have been payable under the terms of the 9.5% senior unsecured notes.

(5) On June 26, 2012, the Board of Directors of Tronox Limited approved a 5-to-1 share split for holders of its Class A ordinary shares and Class B ordinary shares at the close of business on July 20, 2012, by issuance of four additional shares for each share of the same class by way of bonus issue. All references to number of shares and per share data in the Successor s consolidated financial statements have been adjusted to reflect the share split, unless otherwise noted. See Note 15 of Notes to Consolidated Financial Statements for additional information regarding the Company s share split.

(6) Working capital is defined as the excess (deficit) of current assets over current liabilities. Due to Tronox Incorporated s financial condition at December 31, 2008, the entire balance of our outstanding debt of $563 million was classified as current obligations, resulting in long-term debt having a balance of $0 and working capital being a deficit. In 2009, the $350 million senior unsecured notes were reclassified to Liabilities Subject to Comprise.

(7) As a result of the bankruptcy filing and certain legacy liabilities accounting, environmental remediation and/or restoration liabilities were reclassified to Liabilities Subject to Compromise in 2009.

(8) EBITDA represents income (loss) before interest expense, income tax benefit (provision), and depreciation and amortization expense. Adjusted EBITDA represents EBITDA as further adjusted to reflect certain items, including as permitted by the applicable credit facilities then in effect.

(9) Represents total liabilities before liabilities subject to compromise.

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EBITDA and Adjusted EBITDA, which are used by management to measure performance, are non-U.S. GAAP financial measures. Management believes that EBITDA is useful to investors, as it is commonly used in the industry as a means of evaluating operating performance. EBITDA and Adjusted EBITDA are not recognized terms under U.S. GAAP and do not purport to be an alternative measure of our financial performance as determined in accordance with U.S. GAAP. Because other companies may calculate EBITDA and Adjusted EBITDA differently than we do, EBITDA and Adjusted EBITDA, as presented herein, may not be comparable to similarly titled measures reported by other companies.

Management believes these non-U.S. GAAP financial measures:

- Reflect our ongoing business in a manner that allows for meaningful period-to-period comparison and analysis of trends in our business, as they exclude income and expense that are not reflective of ongoing operating results;
- Provide useful information in understanding and evaluating our operating results and comparing financial results across periods;
- Provide a normalized view of our operating performance by excluding items that are either non-cash or non-recurring in nature;
- Enable investors to assess our compliance with financial covenants under our debt instruments; and
- Adjusted EBITDA is one of the primary measures management uses for planning and budgeting processes and to monitor and evaluate financial and operating results.

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The following table reconciles net income (loss) to EBITDA and Adjusted EBITDA for the periods presented:

	Successor			Successor Pro Forma		Successor		Predecessor			
	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012	Year Ended December 31, 2012	Year Ended December 31, 2012	Eleven Months Ended December 31, 2011	One Month Ended January 31, 2011	Year Ended December 31, 2010	Year Ended December 31, 2009	Year Ended December 31, 2008
	(Millions of dollars)										
Net income (loss)	$ (1)	$ 1,144	$ (46)	$ 1,230	$ 201	$ 1,133	$ 242	$ 631	$ 6	$ (39)	$ (335)
Interest and debt expense, net of interest income	34	14	60	22	110	65	30	3	50	36	54
Income tax provision (benefit)	1	(84)	2	(66)	(54)	(125)	20	1	2	(1)	(2)
Depreciation and amortization expense	73	31	146	53	282	211	79	4	50	53	76
EBITDA	107	1,105	162	1,239	539	1,284	371	639	108	49	(207)
Gain on bargain purchase		(1,055)		(1,055)		(1,055)					
Amortization of inventory step up and unfavorable ore sales contracts from purchase accounting	(2)	21	6	21	152	152					
Share-based compensation	6	20	11	27	31	31	14		1		1
Loss on extinguishment of debt			4								
Transfer tax incurred due to acquisition						37					
Reorganization expense associated with bankruptcy(a)								46	145	10	
Gain on fresh-start accounting								(659)			
Provision for environmental remediation and restoration, net of reimbursements(b)							(5)		(47)		73
(Income) loss from discontinued operations									(1)	10	189
Restructuring costs not associated with the bankruptcy(c)											14
Pension and postretirement settlement/curtailments										10	26
Loss on sale of assets										(1)	(25)
Impairment charges(d)										1	25
Unusual or non-recurring items(e)										24	
Litigation/arbitration settlements							(10)				
Amortization of Fresh Start Inventory Step Up							36				
Foreign currency remeasurement	(13)	2	(19)	1	6	6	7	(1)	12	15	(7)
Transaction costs and financial statement costs(f)		50		59		32	39				
Other items(g)	3	4	10	6	13	16	16	(1)	(15)	24	10
Adjusted EBITDA	$ 101	$ 147	$ 174	$ 298	$ 741	$ 503	$ 468	$ 24	$ 203	$ 142	$ 99

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(a) Tronox Incorporated 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 certain legacy liabilities, as described in notes 1 and 5 to the annual Consolidated Financial Statements, the obligation for this clean-up work had been recorded in 2008 and prior years.
(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 million related to Savannah, Georgia, and approximately $22 million related to Botlek, the Netherlands.
(e) The 2009 amount represents the net loss on deconsolidation of Tronox Incorporated s German subsidiaries.
(f) During 2012, transaction costs consist of costs associated with the acquisition of the mineral sands business, including banker fees, legal and professional fees, as well as costs associated with the preparation and amending of the registration statement on Form S-4 filed with the Securities and Exchange Commission in connection with the Transaction and costs associated with the integration of the mineral sands business that occurred after the closing of the Transaction. During the eleven months ended December 31, 2011, transaction costs and financial statement restatement costs include expenses related to the Transaction, fresh-start accounting fees, costs associated with restating Tronox Incorporated s environmental reserves and the auditing of the historical financial statements. Costs associated with the Transaction include legal and professional fees related to due diligence and transaction advice as well as investment banking fees.
(g) Includes noncash pension and postretirement costs, accretion expense, fixed asset write-downs and abandonment expense, gains and losses on the sale of assets, noncash gains on liquidation of a subsidiary, income (loss) from discontinued operations, severance expense and other noncash or non-recurring income or expenses. Additionally, Tronox Incorporated incurred legal fees associated with the exit from bankruptcy.

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RISK FACTORS

You should carefully consider the risk factors set forth below, as well as the other information contained in this prospectus before deciding to invest in the notes. The risks described below are not our only risks. Additional risks and uncertainties not currently known to us or those we currently view to be immaterial also may materially and adversely affect our business, financial condition or results of operations. Any of the following risks could materially and adversely affect our business, financial condition, operating results or cash flow. In such a case, the trading price of the notes could decline, or we may not be able to make payments of interest and principal on the notes, and you may lose all or part of your original investment.

Risks Related to the Exchange Notes

Our substantial indebtedness could adversely affect our financial condition and prevent us from fulfilling our obligations under the Exchange Notes.

At June 30, 2013, our indebtedness outstanding was as follows:

- we had approximately $2,408 million of total indebtedness outstanding (including the Exchange Notes and including $11 million of unamortized discount in connection with the $1,500 million Term Loan (the Term Loan), which was carried at $1,489 million on our balance sheet), none of which would have been subordinated to the Exchange Notes;

- we had approximately $1,496 million of secured indebtedness, all of which has been borrowed under the Term Loan (not including (i) availability of $275 million under the global senior secured asset-based syndicated revolving credit agreement with UBS AG (the UBS Revolver) (which excludes a $25 million issued letter of credit and an uncommitted incremental facility of $200 million), and (ii) an uncommitted incremental facility of $200 million under the Term Loan, all of which would be secured if borrowed), to which the notes would have been effectively subordinated to the extent of the value of the collateral securing such indebtedness and;

- we had availability of approximately R900 million (approximately $92 million) under the ABSA Revolver (the ABSA Revolver), which was structurally senior to the Notes.

As of June 30, 2013, our liabilities reflected on our consolidated balance sheet, including indebtedness and other liabilities such as trade payables and accrued expenses (but excluding the Exchange Notes), were approximately $2,357 million.

Subject to the limits contained in the agreements governing our credit facilities, the indenture governing the Exchange Notes and our other indebtedness instruments, we may be able to incur substantial additional indebtedness from time to time to finance working capital, capital expenditures, investments or acquisitions, or for other purposes. If we do so, the risks related to our level of indebtedness could intensify. Specifically, our level of indebtedness could have important consequences to the holders of notes, including the following:

- making it more difficult for us to satisfy our obligations with respect to the Exchange Notes and our other indebtedness;

- limiting our ability to obtain additional financing to fund future working capital, capital expenditures, product developments, acquisitions or other general corporate requirements;

- requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions and other general corporate purposes;

- increasing our vulnerability to general adverse economic and industry conditions;

limiting our flexibility in planning for and reacting to changes in the industry in which we compete;

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placing us at a disadvantage compared to other, less leveraged competitors; and

increasing our cost of borrowing.

In addition, the indenture governing the Exchange Notes and the agreements governing our credit facilities contain restrictive covenants that will limit our ability to engage in activities that may be in our long-term best interests. Our failure to comply with those covenants could result in an event of default, which, if not cured or waived, could result in the acceleration of all our debts.

Despite current indebtedness levels, we may still be able to incur substantially more indebtedness. This could further exacerbate the risks described above.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. Although the indenture governing the Exchange Notes and our agreements governing our credit facilities contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions and the additional indebtedness incurred in compliance with these restrictions could be substantial. If we incur any additional indebtedness that ranks equally with the Exchange Notes, subject to any collateral arrangements, the holders of that indebtedness will be entitled to share ratably with you in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of us. This may have the effect of reducing the amount of proceeds paid to you. If new indebtedness is added to our current indebtedness levels, the related risks that we and our subsidiaries now face could intensify. See Description of Notes and Description of Other Indebtedness.

We may not be able to generate sufficient cash to service all of our indebtedness, including the Exchange Notes, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or to refinance our debt obligations, including the Exchange Notes, depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control. We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to fund our day-to-day operations or to pay the principal, premium, if any, and interest on our indebtedness, including the Exchange Notes.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to sell assets or operations, seek additional capital or restructure or refinance our indebtedness, including the Exchange Notes. We may not be able to effect any such alternative measures, if necessary, on commercially reasonable terms or at all, and, even if successful, such alternative actions may not allow us to meet our scheduled debt service obligations. The agreements governing our credit facilities and the indenture governing the Exchange Notes will restrict our ability to dispose of assets and use the proceeds from any such dispositions and may also restrict our ability to raise debt or equity capital to be used to repay other indebtedness when it becomes due. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due. See Description of Notes and Description of Other Indebtedness.

In addition, we conduct certain operations through our subsidiaries, certain of which will not be guarantors of the Exchange Notes. Accordingly, repayment of our indebtedness, including the Exchange Notes, is dependent to an extent on the generation of cash flow by our subsidiaries and their ability to make such cash available to us, by dividend, debt repayment or otherwise. Unless they are guarantors of the Exchange Notes, our subsidiaries do not have any obligation to pay amounts due on the Exchange Notes or to make funds available for that purpose. Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our indebtedness, including the Exchange Notes. Each subsidiary is a distinct legal entity

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and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. Although the indenture governing the Exchange Notes and the agreements governing certain of our other existing indebtedness will limit the ability of certain of our subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject to certain qualifications and exceptions. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the Exchange Notes.

Our inability to generate sufficient cash flows to satisfy our debt obligations or to refinance our indebtedness on commercially reasonable terms or at all would materially and adversely affect our financial position and results of operations and our ability to satisfy our obligations under the Exchange Notes. If we cannot make scheduled payments on our debt, we will be in default and, as a result, holders of Exchange Notes could declare all outstanding principal and interest to be due and payable and our secured lenders could foreclose against the assets securing such borrowings.

If we default on our obligations to pay our other indebtedness, we may not be able to make payments on the Exchange Notes.

Any default under the agreements governing our indebtedness, including any event of default under our credit facilities that is continuing and not cured and not waived by the required lenders, and the remedies sought by the lenders could prevent us from paying principal, premium, if any, and interest on the Exchange Notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants, in the instruments governing our indebtedness (including covenants in our credit facilities), we could be in default under the terms of the agreements governing such indebtedness. In the event of such default, the holders of such indebtedness may be able to elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest and cause all of our available cash flow to be used to pay such indebtedness. Additionally, the lenders under our credit facilities could elect to terminate their commitments thereunder, cease making further loans and institute foreclosure proceedings against our assets and we could be forced into bankruptcy or liquidation. If our operating performance declines, we may in the future need to obtain waivers from the required lenders under our credit facilities to avoid being in default. If we breach our covenants under our credit facilities and seek a waiver, we may not be able to obtain a waiver from the required lenders. If this occurs, we would be in default under our credit facilities, the lenders could exercise their rights, as described above, and we could be forced into bankruptcy or liquidation. See Description of Other Indebtedness.

The Issuer is a finance subsidiary that has no revenue-generating operations of its own and depends on cash received from other members of the group to be able to make payments on the Exchange Notes.

The Issuer, a wholly-owned indirect subsidiary of the Parent, is a finance subsidiary with limited assets and limited ability to generate revenues. The Parent s subsidiaries are not required to make, and may be restricted from making, funds available to the Issuer. In addition, the ability of the Issuer to make any payments will depend on the earnings, business and tax considerations, and legal and contractual restrictions on payments of dividends or other distributions by the subsidiaries of the Parent.

Furthermore, the Indenture will prohibit the Issuer from engaging in activities other than certain limited activities permitted under the heading Description of the Notes Certain Covenants Conduct of the Business and Limitation on Certain Activities. If the Issuer is not able to make payments on the Exchange Notes, holders of the Exchange Notes would have to rely on claims for payment under the Exchange Guarantees, which are subject to the risks and limitations described herein. We cannot assure you that arrangements with our subsidiaries will provide the Issuer with sufficient dividends, distributions or loans to service scheduled payments of interest, principal or other amounts due under the Exchange Notes. Any of the situations described above could adversely affect the ability of the Issuer to service its obligations in respect of the Exchange Notes.

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The terms of the agreements governing our credit facilities and the indenture governing the Exchange Notes may restrict our current and future operations, particularly our ability to respond to changes or to take certain actions.

The indenture governing the Exchange Notes and the agreements governing our credit facilities contain a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to engage in acts that may be in our long-term best interests, including, among other things, restrictions on our ability to:

incur, assume or guarantee additional indebtedness;

pay dividends or distributions in respect of capital stock or make certain other restricted payments or investments;

incur liens;

restrict dividends, loans or asset transfers from our subsidiaries;

sell or otherwise dispose of assets, including capital stock of subsidiaries;

consolidate or merge with or into, or sell substantially all of our assets to, another person;

enter into transactions with affiliates; and

enter into new lines of business.

A breach of the covenants under the indenture governing the Exchange Notes or under the agreements governing our credit facilities could result in an event of default under the applicable indebtedness. Such default may allow the creditors to accelerate the related indebtedness and may result in the acceleration of any other indebtedness to which a cross-acceleration or cross-default provision applies. In the event our lenders or holders of Exchange Notes accelerate the repayment of our borrowings, we cannot assure you that we and our subsidiaries would have sufficient assets to repay such indebtedness.

Many of the covenants in the indenture will be suspended if the Exchange Notes are rated investment grade by both Moody s and Standard & Poor s.

Many of the covenants in the indenture governing the Exchange Notes will no longer apply to us during any time that the notes have an investment grade rating, provided that at such time no default or event of default has occurred and is continuing. These covenants restrict, among other things, our ability to pay distributions, incur indebtedness and to enter into certain other transactions. There can be no assurance that the Exchange Notes will ever be rated investment grade, or that if they are rated investment grade, that the Exchange Notes will maintain these ratings. However, suspension of these covenants would allow us to engage in certain transactions that would not be permitted while these covenants were in force. See Description of Notes Covenant Suspension. If the Exchange Notes have an investment grade rating from either Moody s or Standard & Poor s, we will not experience a change of control repurchase event requiring us to repurchase all of the notes unless a change of control occurs together with a below investment grade rating event. See Description of Notes Change of Control for additional information.

The Exchange Notes will be effectively subordinated to our secured indebtedness to the extent of the value of the assets securing that indebtedness.

The Exchange Notes will be effectively subordinated to claims of our secured creditors to the extent of the value of the assets securing such claims, and the guarantees will be effectively subordinated to the claims of our secured creditors as well as the secured creditors of our subsidiary guarantors.

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The Exchange Notes and the Exchange Guarantees will be structurally subordinated to all indebtedness of our existing and future subsidiaries that are not and do not become guarantors of the Exchange Notes.

The Exchange Notes will be guaranteed by the Parent and all of the subsidiaries of the Parent that guarantee any obligations under the credit facilities on the date the notes are issued. Except for such subsidiary guarantors of the Exchange Notes, our subsidiaries will have no obligation, contingent or otherwise, to pay amounts due under the Exchange Notes or to make any funds available to pay those amounts, whether by dividend, distribution, loan or other payment. The Exchange Notes will be structurally subordinated to all indebtedness and other obligations of any non-guarantor subsidiary such that, in the event of insolvency, liquidation, reorganization, dissolution or other winding-up of any subsidiary that is not a guarantor, all of such subsidiary s creditors (including trade creditors and preferred stockholders, if any) would be entitled to payment in full out of such subsidiary s assets before we would be entitled to any payment.

As of and for the six months ended June 30, 2013, the non-guarantor subsidiaries represented approximately 59% of our total consolidated liabilities, excluding intercompany liabilities, approximately 54% of our total consolidated assets, excluding intercompany accounts receivables, intercompany notes receivable and investments in subsidiaries, approximately 28% of our total consolidated income from operations, excluding intercompany sales and cost of goods sold, and approximately 53% of our total consolidated net sales, excluding intercompany sales.

We may not be able to repurchase the Exchange Notes upon a change of control.

Upon the occurrence of specific kinds of change of control events, we will be required to offer to repurchase all outstanding Exchange Notes at 101% of their principal amount, plus accrued and unpaid interest up to, but excluding, the repurchase date. Additionally, under the agreements governing our credit facilities, a change of control (as defined therein) constitutes an event of default that permits the lenders to accelerate the maturity of borrowings under the respective agreements and the commitments to lend would terminate. The source of funds for any purchase of the Exchange Notes and repayment of borrowings under the agreements governing our credit facilities will be our available cash or cash generated from our subsidiaries operations or other sources, including borrowings, sales of assets or sales of equity. We may not be able to repurchase the Exchange Notes upon a change of control because we may not have sufficient financial resources to purchase all of the debt securities that are tendered upon a change of control and repay our other indebtedness that will become due. We may require additional financing from third parties to fund any such purchases, and we cannot assure you that we would be able to obtain financing on satisfactory terms or at all. Further, our ability to repurchase the Exchange Notes may be limited by law. In order to avoid the obligations to repurchase the Exchange Notes and events of default and potential breaches of the agreements governing our credit facilities, we may have to avoid certain change of control transactions that would otherwise be beneficial to us.

In addition, certain important corporate events, such as leveraged recapitalizations, may not, under the indenture governing the Exchange Notes, constitute a change of control that would require us to repurchase the Exchange Notes, notwithstanding the fact that such corporate events could increase the level of our indebtedness or otherwise adversely affect our capital structure, credit ratings or the value of the notes. See Description of Notes Change of Control.

Holders of Exchange Notes may not be able to determine when a change of control giving rise to their right to have the Exchange Notes repurchased by us has occurred following a sale of substantially all of its assets.

A change of control, as defined in the indenture governing the Exchange Notes, requires us to make an offer to repurchase all outstanding Exchange Notes. The definition of change of control includes a phrase relating to the sale, lease or transfer of all or substantially all of our assets. There is no precise established definition of the phrase substantially all under applicable law. Accordingly, the ability of a holder of Exchange Notes to require us to repurchase its notes as a result of a sale, lease or transfer of less than all of our assets to another individual, group or entity may be uncertain. See Description of Notes Change of Control.

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Federal and state fraudulent transfer laws may permit a court to void the Exchange Notes or the Exchange Guarantees and, if that occurs, you may not receive any payments on the notes.

Federal and state fraudulent transfer and conveyance statutes may apply to the issuance of the Exchange Notes and the incurrence of the Exchange Guarantees. Under federal bankruptcy law and comparable provisions of state fraudulent transfer or conveyance laws, which may vary from state to state, the Exchange Notes or the Exchange Guarantees thereof could be voided as a fraudulent transfer or conveyance if we or any of the guarantors, as applicable, (i) issued the Exchange Notes or incurred the Exchange Guarantees with the intent of hindering, delaying or defrauding creditors, or (ii) received less than reasonably equivalent value or fair consideration in return for either issuing the Exchange Notes or incurring the Exchange Guarantees and, in the case of (ii) only, one of the following is also true at the time thereof:

- we or any of the guarantors, as applicable, were insolvent or rendered insolvent by reason of the issuance of the Exchange Notes or the incurrence of the Exchange Guarantees;
- the issuance of the Exchange Notes or the incurrence of the Exchange Guarantees left us or any of the guarantors, as applicable, with an unreasonably small amount of capital or assets to carry on the business; or
- we or any of the guarantors intended to, or believed that we or such guarantor would, incur debts beyond our or such guarantor s ability to pay as they mature.

As a general matter, value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or a valid antecedent debt is secured or satisfied. A court would likely find that a guarantor did not receive reasonably equivalent value or fair consideration for its guarantee, to the extent such guarantor did not obtain a reasonably equivalent benefit directly or indirectly from the issuance of the Exchange Notes.

We cannot be certain as to the standards a court would use to determine whether or not we or the guarantors were insolvent at the relevant time or, regardless of the standard that a court uses, whether the Exchange Notes or the Exchange Guarantees would be subordinated to our or any of our guarantors other indebtedness. In general, however, a court would deem an entity insolvent if:

- the sum of its debts, including contingent and unliquidated liabilities, was greater than the fair saleable value of all of its assets;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they became due.

If a court were to find that the issuance of the Exchange Notes or the incurrence of an Exchange Guarantee was a fraudulent transfer or conveyance, the court could void the payment obligations under the Exchange Notes or such Exchange Guarantee or subordinate the Exchange Notes or such Exchange Guarantee to currently existing and future indebtedness of ours or of the related guarantor, or require the holders of Exchange Notes to repay any amounts received with respect to such Exchange Guarantee. In the event of a finding that a fraudulent transfer or conveyance occurred, you may not receive any repayment on the Exchange Notes. Further, the avoidance of the Exchange Notes could result in an event of default with respect to our and our subsidiaries other debt that could result in acceleration of such debt.

Finally, as a court of equity, the bankruptcy court may subordinate the claims in respect of the Exchange Notes to other claims against us under the principle of equitable subordination, if the court determines that (i) the holder of Exchange Notes engaged in some type of inequitable conduct, (ii) such inequitable conduct resulted in injury to our other creditors or conferred an unfair advantage upon the holder of Exchange Notes and (iii) equitable subordination is not inconsistent with the provisions of the Bankruptcy Code.

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The borrower under our $1.5 billion Term Loan and our other Dutch subsidiary may not become guarantors of the Exchange Notes.

Tronox Pigments (Netherlands) B.V. is currently the borrower under our $1.5 billion Term Loan, which is guaranteed by Tronox Limited and certain of our subsidiaries. Each of the companies that guarantees the Term Loan will guarantee the Exchange Notes on the issue date of the notes. However, Tronox Pigments (Netherlands) B.V. will not be a guarantor of the Exchange Notes on the issue date. We will seek to have this entity become a guarantor under our UBS Revolver, and we will seek to have our other Dutch subsidiary become a guarantor under the Term Loan and the UBS Revolver. In connection with such guarantees, and subject to the limitations described below, the indenture requires us to cause all such subsidiaries to become guarantors of the Exchange Notes.

Under the indenture, however, adding our Dutch subsidiaries as guarantors of the Exchange Notes is subject to receiving the unconditional positive advice of the works council of the relevant subsidiary and any prior corporate approvals, including the decision of the boards of directors (or similar governing body) of such subsidiaries that it is in such subsidiaries corporate interest (vennootschappelijk belang) to guarantee the Exchange Notes. Such board approval will take into consideration whether the Dutch subsidiaries are sufficiently capitalized to guarantee additional obligations. If such works council, corporate or board of director approvals are not obtained (including because the board of directors determines that it is not in the corporate interest of our Dutch subsidiaries to guarantee the Exchange Notes or otherwise), it is possible that such subsidiaries will not become guarantors of the Exchange Notes or that they will become guarantors of our credit facilities but not the Exchange Notes.

If the lenders under our credit facilities release any subsidiary guarantor under our credit facilities that is also a guarantor of the Exchange Notes, that subsidiary guarantor will automatically be released from its guarantee of the Exchange Notes.

While any obligations under our credit facilities remain outstanding, any subsidiary guarantee of the Exchange Notes will automatically be released without action by, or consent of, any holder of the Exchange Notes or the trustee under the indenture governing the Exchange Notes, if the related subsidiary guarantor is no longer a guarantor of obligations under our credit facilities. See Description of Notes The Note Guarantees Release of the Note Guarantees. The lenders under our credit facilities will have the discretion to release the subsidiary guarantees under our credit facilities in a variety of circumstances. You will not have a claim as a creditor against any subsidiary that is no longer a guarantor of our credit facilities, and the indebtedness and other liabilities, including trade payables, whether secured or unsecured, of those subsidiaries will effectively be senior to claims of noteholders.

There is no existing public trading market for the Exchange Notes, and your ability to sell such notes will be limited.

There is no existing public market for the Exchange Notes. No market for the Exchange Notes may develop, and any market that develops may not persist. We cannot assure you as to the liquidity of any market that may develop for the Exchange Notes, your ability to sell your Exchange Notes or the price at which you would be able to sell your Exchange Notes. Future trading prices of the Exchange Notes will depend on many factors, including, among other things, prevailing interest rates, our operating results and the market for similar securities.

We do not intend to apply for listing of the Exchange Notes on any securities exchange or other market. The liquidity of any trading market and the trading price of such notes may be adversely affected by changes in our financial performance or prospects and by changes in the financial performance of or prospects for companies in our industry generally.

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Risks Related to the Exchange Offer

Holders of Old Notes who fail to exchange their Old Notes in the exchange offer will continue to be subject to restrictions on transfer.

If you do not exchange your Old Notes for Exchange Notes in the exchange offer, you will continue to be subject to the restrictions on transfer applicable to the Old Notes. The restrictions on transfer of your Old Notes arise because we issued the Old Notes under exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws. In general, you may only offer or sell the Old Notes if they are registered under the Securities Act and applicable state securities laws, or offered and sold under an exemption from these requirements. We do not plan to register the Old Notes under the Securities Act. For further information regarding the consequences of tendering your Old Notes in the exchange offer, see the discussion below under the caption Exchange Offer Consequences of Failure to Exchange.

You must comply with the exchange offer procedures in order to receive new, freely tradable Exchange Notes.

Delivery of Exchange Notes in exchange for Old Notes tendered and accepted for exchange pursuant to the exchange offer will be made only after timely receipt by the exchange agent of book-entry transfer of Old Notes into the exchange agent s account at DTC, as depositary, including an agent s message (as defined herein). We are not required to notify you of defects or irregularities in tenders of Old Notes for exchange. Exchange Notes that are not tendered or that are tendered but we do not accept for exchange will, following consummation of the exchange offer, continue to be subject to the existing transfer restrictions under the Securities Act and, upon consummation of the exchange offer, certain registration and other rights under the Registration Rights Agreement will terminate. See Exchange Offer Procedures for Tendering Old Notes Through Brokers and Banks and Exchange Offer Consequences of Failure to Exchange.

Some holders who exchange their Old Notes may be deemed to be underwriters, and these holders will be required to comply with the registration and prospectus delivery requirements in connection with any resale transaction.

If you exchange your Old Notes in the exchange offer for the purpose of participating in a distribution of the Exchange Notes, you may be deemed to have received restricted securities and, if so, will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

Risks Related to Our Business

You should carefully consider the risk factors set forth below, as well as the other information contained in this prospectus, including our consolidated financial statements and related notes. This Prospectus contains forward-looking statements that involve risks and uncertainties. Any of the following risks could materially and adversely affect our business, financial condition or results of operations. Additional risks and uncertainties not currently known to us or those we currently view to be immaterial may also materially and adversely affect our business, financial condition or results of operations.

Economic Factors

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 TiO_2 or our other products, could adversely affect the profitability of our operations and the prices at which we can sell our products, negatively impacting our financial results.

Our revenue and profitability is largely dependent on the TiO_2 industry either through direct sales of TiO_2 to TiO_2 customers or for our mineral sands business sales to TiO_2 producers. TiO_2 is a chemical used in many quality of life products for which demand historically has been linked to global, regional and local GDP and

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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 our products and, as a result, may have an adverse effect on our 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 through the first three quarters of 2011 resulted in increasing prices of TiO_2 and titanium feedstock, which was further bolstered by the reduced availability of titanium feedstock. Demand fell again during the fourth quarter of 2011 and in 2012 due to slow growth in Asia, Europe and the United States, combined with destocking by customers and certain thrifting initiatives by customers.

The future profitability of our operations, and cash flows generated by those operations, also will be affected by the available supply of our 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. We 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.

We do not currently enter into commodity derivatives or hedging arrangements on our future production, so we are exposed to the impact of any significant decrease in the price of our products.

Our results of operations may be adversely affected by fluctuations in currency exchange rates.

The financial condition and results of operations of our operating entities outside the United States are reported in various foreign currencies and then converted into U.S. dollars at the applicable exchange rate for inclusion in the financial statements. As a result, any volatility of the U.S. dollar against these foreign currencies creates uncertainty for and may have a negative impact on reported sales and operating margin. We have made a U.S. dollar functional currency election for both Australian financial reporting and federal income tax purposes. On this basis, our Australian entities report their results of operations on a U.S. dollar basis.

In addition, our 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 we have significant operations in Europe, South Africa and Australia, we are exposed primarily to fluctuations in the Euro, the Rand and the Australian dollar.

From time to time we may seek to minimize our foreign currency risk by engaging in hedging transactions. However, we may be unable to effectively manage our foreign currency risk, and any volatility in foreign currency exchange rates may have a material effect on its financial condition or results of operations.

Our operations may be negatively impacted by inflation.

Our 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.

	2010 - 2011	2011 - 2012
United States	3.2%	2.1%
South Africa	5.0%	5.8%
Australia	3.1%	2.2%

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Working costs and wages in Australia and South Africa, especially, have increased in recent years, resulting in significant cost pressures for the mining industry. Our 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 our products.

The cost of electricity in South Africa may adversely affect our results of operations and financial condition.

In South Africa, our mining and smelting operations depend on electrical power generated by Eskom, the state-owned sole energy supplier. South African electricity prices rose by approximately 25% in 2010 and 2011. South African electricity prices have increased by approximately 16% in 2012, and future increases likely will continue at rates higher than inflation. These increases have increased production costs. As these costs rise, our operating expenses will increase and could adversely affect our business, especially if we cannot pass through increases in our expenses to our customers. We are investing in a co-generation project at Namakwa Sands, and our 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 our operations may affect our operational results and financial condition.

Changes to government policies in South Africa may adversely affect our business, operating results and financial condition.

Senior South African government officials, including the Minister of the Department of Mineral Resources, have stated publicly that nationalization of the South African mining industry is not government policy. Nevertheless, it is apparent that Government will sharpen its focus on the State s intervention in mining through various means including increased taxation, greater control and conditions on the distribution of mineral rights, poverty alleviation and job creation. Such measures have not yet been defined and the impact the measures may have on our business remains uncertain.

Nationalization with compensation, as required by South African law, was found by the African National Congress (the ANC) to be unaffordable, and without compensation would require an amendment to the South African constitution. Moreover, the ANC has acknowledged that nationalization would draw global criticism and would result in a withdrawal of foreign direct investment, loss of jobs and the institution of legal proceedings by investors domiciled in states that have entered into trade and investment protection agreements with South Africa. However, other proposals are being discussed, including:

- in respect of the resource rents to the South African government, the introduction of a 50% resource rent tax;
- the expansion of the state mineral company s control of the mining industry;
- merging the ministries of Trade and Industry, Mineral Resources and Energy, Public Enterprises, Economic Development and Science and Technology to form a super ministry ;
- the concessioning of all known mineral deposits by public tender;
- the establishment of a professional minerals commission to grant, monitor and evaluate all mineral concessions and licenses;
- the amendment of current mining legislation to maximize developmental impacts of the mineral and energy complex;
- the establishment of a presidential mineral rights audit commission to carry out forensic audits on the granting of all new order mining rights under the Mineral and Petroleum Resources Development Act, 28 of 2002 (MPRDA);

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the imposition of a 50% capital gains tax on the transfer of any mineral rights before actual mining operations commence to discourage speculators in the mining industry;

the establishment of a mineral rights commission as an oversight body (regulator) whose consent would be required prior to transferring any mineral rights; and

the establishment of a minerals environmental monitoring and compliance agency.

One of the task team s main proposals is an amendment to the current system of mining royalties. The proposal contemplates significantly reducing mining royalties and largely replacing them with a tax on super profits. This concept of resource rent capture would result in a tax being imposed on the difference between the price at which a resource can be sold and its extraction costs (which includes normal returns). The resource rent tax would only be triggered once a reasonable return had been made by the mineral right holder. The putative goal of this proposed tax is to protect marginal mining operations.

The task team also proposes that a resource rent tax of 50% be imposed on all mining in South Africa. The tax would only be triggered after a normal return on investment had been achieved. A normal return on investment is defined in the draft policy document as the South African Treasury Long Bond Rate plus 7%. At current rates, a normal return on investment would be approximately 15%. According to the draft proposal, all proceeds of the resource rent tax should be held in an offshore sovereign wealth fund. If the taxes imposed on our South African mining operations were to increase as a result of South Africa s implementation of the proposed tax on super profits or adoption of a 50% resource rent tax on mining activity, the profitability of our South African mining operations would be negatively impacted. We may decide to cease our South African operations to the extent that those operations do not meet their return requirements, which would adversely affect our operational results and financial condition.

The draft policy document also contains several other proposals designed to apply a concept of a Democratic Developmental State to the governance of South African mineral assets. The draft policy document appears to distance itself from a policy of nationalization. Subsequent to the above, the ruling party convened its national congress in December 2012, and the issue of nationalization did not feature on the agenda.

However, the issue of a resource rent tax and/or a super tax on certain, identified minerals, was adopted at the congress. Recent comments from the Minister of Finance suggest that this is still in a concept stage and is not contemplated in the near future. Until a formal plan is put in place, we would not be able to quantify the potential impact (if any) on our business.

The revised MPRDA may have an adverse effect on our business, operating results and financial condition.

The Mineral and Petroleum Resources Development Act (the MPRDA) Amendment Bill of 2012 has been approved by the executive branch of the South African government, and submitted to Parliament. The original act was published in 2002, and became effective on May 1, 2004. The MPRDA Amendment Act of 2008 became effective on June 7, 2013. Although the 2008 legislation and proposed 2012 legislation keep the bulk of the original act intact, certain amendments could have adverse effects on our business, operating results and financial condition.

The socio-economic environment in South Africa may have an adverse effect on our 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, 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 our 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

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supply of electricity and water. The cost of water and electricity use in South Africa may adversely affect our results of operations. We use significant amounts of water in our operations and are subject to water use licenses, which could impose significant costs.

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 our costs and reduce our 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.

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 our business.

Our 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. In the case of the South African Reserve Bank approving the initial:

(a) investment by a non-resident off-shore company in a South African company, profits from the South African company s operations can be freely remitted to such non-resident off-shore company subject to compliance with administrative formalities in connection with such payment; or

(b) loan by a non-resident off-shore company to a South African company, repayment of the loan and the payment of any interest thereon can be freely remitted to such non-resident off-shore company subject to compliance with administrative formalities in connection with such payments;

- 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 our financial and strategic flexibility, particularly our ability to use South African capital to fund acquisitions, capital expenditures and new projects outside of South Africa.

Our 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 our South African operations are subject to land claims. The Obanjeni Community has filed a land claim affecting portions of the Fairbreeze mining surface area, and the Mkhwanazi Tribe has filed a claim affecting the Port Durnford prospecting rights area over which we have recently received rights. The claim of the Mkhwanazi Tribe has been settled in their favor. We have been successful in negotiating with the Mkhwanazi Tribe to secure access for further prospecting at Port Durnford. We also intend to enter into negotiations with the Obanjeni Community, if their claim is successful, at

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the appropriate time and the Mkhwanazi Tribe before mining at Port Durnford commences. If we are not successful in our negotiations or are unable to secure access rights on commercially reasonable terms and conditions, our operations at Fairbreeze or Port Durnford may be adversely affected. In addition, if we expand our operations to areas that are subject to land claims, our rights to these properties may be adversely affected, and we may be prevented from using the property and exploiting any ore reserves located there in a commercially reasonable manner. This could have an adverse effect on our business, operating results and financial condition.

The labor and employment laws in many jurisdictions in which we operate are more onerous than in the United States; and some of our 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.

A majority of our employees are 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.

Labor costs constituted 10% of our TiO_2 production costs (excluding depreciation) and 12% of our mineral sands production costs (excluding depreciation) in 2012. Approximately 90% of our employees in Australia were represented by collective bargaining agreements. Approximately 90% of our employees in South Africa have collective bargaining agreements with labor organizations. Approximately 90% of our employees in Europe were represented by works councils.

Our South African operations have entered into various agreements regulating wages and working conditions at our mines. 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 our acquisition of these operations). Due to the high level of employee union membership, our 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, 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 we believe that we have good labor relations with our South African employees, we 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. Our 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 our business, operating results and financial condition.

We are required to consult with and seek the consent or advice of various employee groups or works councils that represent our employees for any changes to its activities or employee benefits. This requirement could have a significant impact on our flexibility in managing costs and responding to market changes.

The cost of occupational healthcare services and the potential liabilities related to occupational health diseases in South Africa may increase in the future.

Our 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

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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 our employees in South Africa. 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 our mining activity or if claims against us are not covered by the compensation fund, the amount of our contribution or liability to claimants may increase, which could adversely impact our financial condition. In addition, the HIV/AIDS epidemic in South Africa poses risks to our 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, our 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 our South African operations, face increasing public scrutiny of their activities. Our existing and proposed mining operations are often located at or near existing towns and villages, nature preserves, natural water courses and other infrastructure. We therefore carefully manage its impact on such communities and the environment. For example, we provide electrification and water supply projects to towns and villages near our Namakwa Sands operations and secondary education support to local schools near our existing operations. We also consider sustainable development when planning new operations. For example, during the construction phase of the KZN Sands Fairbreeze mining project (Project Fairbreeze), we plan to employ local contractors, thereby eliminating the need for temporary housing, and also plan 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 our capital expenditures and operating costs, which may affect our operational results and financial condition.

Business Factors

Fluctuations in costs of our raw materials or our access to supplies of our raw materials could have an adverse effect on our results of operations and financial condition.

In 2012, raw materials used in the production of TiO_2 constituted approximately 50% of our operating expenses, primarily due to rising feedstock costs. 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 our manufacturing and mining operations form an important part of our operating costs. We 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 our operating margins and our profitability. As these costs rise, our operating expenses will increase and could adversely affect our business, especially if we are unable to pass price increases in raw materials through to our customers.

Shortages or price increases by our single source suppliers, such as the suppliers of chlorine to our Australian operations or high-quality anthracite to Namakwa Sands could decrease revenue or increase

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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 our 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.

Given the nature of our chemical, mining and smelting operations, we face a material risk of liability, delays and increased cash costs of production from environmental and industrial accidents and operational breakdowns.

Our business involves significant risks and hazards, including environmental hazards, industrial accidents and breakdowns of equipment and machinery. Our business is exposed to hazards associated with chemical process manufacturing and the related storage, handling and transportation of raw materials, products and wastes and our furnace operations that are subject to explosions, water ingress and refractory failure, and our open pit (also called open-cut) and dredge mining operations that are subject to flooding and accidents associated with rock transportation equipment and conveyor belts. Furthermore, during operational breakdowns, the relevant facility may not be fully operational within the anticipated timeframe, which could result in further business losses. 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 our facilities, could have an adverse effect on the productivity and profitability of a particular manufacturing facility or on our business as a whole. Over our operating history, we have incurred incidents of this nature.

There is also a risk that our key raw materials or our 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 us, we may have inadequate insurance to cover such claims, or insufficient cash flow to pay for such claims. Such outcomes could adversely affect our financial condition and results of operations.

We are a holding company that is dependent on cash flows from our operating subsidiaries to fund our debt obligations, capital expenditures and ongoing operations.

All of our operations are conducted and all of our assets are owned by our operating companies, which are our subsidiaries, and we intend to continue to conduct our operations at the operating companies and any future subsidiaries. Consequently, our cash flow and ability to meet our obligations or make cash distributions depend upon the cash flow of our operating companies and any future subsidiaries, and the payment of funds by our operating companies and any future subsidiaries in the form of dividends or otherwise. The ability of our operating companies and any future subsidiaries to make any payments to us depends on their earnings, the terms of their indebtedness, including the terms of any credit facilities, and legal restrictions.

Our ability to service our debt and fund our planned capital expenditures and ongoing operations will depend on our ability to generate and grow cash flow and access to additional liquidity sources. Our ability to generate and grow cash flow is dependent on many factors, including:

- the impact of competition from other chemical and materials manufacturers and diversified companies;
- the transfer of funds from subsidiaries in the United States to certain foreign subsidiaries;
- general world business conditions, economic uncertainty or downturn and the significant downturn in housing construction and overall economies;
- our 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;
- our ability to adequately deliver customer service and competitive product quality; and

the effects of governmental regulation on our business.

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Many of these factors are beyond our control. A general economic downturn can result in reduced spending by customers, which will impact our revenues and cash flows from operating activities. At reduced performance, if we are unable to generate sufficient cash flow or to access additional liquidity sources, we may not be able to service and repay our existing debt, operate our business, respond to competitive challenges, or fund our other liquidity and capital needs.

Our industry and the end-use markets in which we compete are highly competitive. This competition may adversely affect our results of operations and operating cash flows.

Each of our markets is highly competitive. Competition in the pigment industry is based on a number of factors such as price, product quality and service. We face significant competition from major international and smaller regional competitors. Our 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 we do. We also compete with numerous smaller, regional producers, including producers in China that have expanded their sulphate TiO_2 production capacity during the previous five years.

Zircon producers generally compete on the basis of price, quality, logistics, delivery and payment terms and consistency of supply. We believe we have competitive quality, long-term relationships with customers and product range; however, our primary competitive disadvantage relative to our major competitors is our distance from our main consumers (i.e., Asia and Europe).

In addition, within the end-use markets in which we compete, competition between products is intense. We face 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 our customers to switch to our competitors products. If we are unable to develop and produce or market our products to compete effectively against our competitors following such events, our results of operations and operating cash flows may suffer.

We may need additional capital in the future and may not be able to obtain it on favorable terms.

Our industry is capital intensive and our success depends to a significant degree on our ability to develop and market innovative products and to update our facilities and process technology. We may require additional capital in the future to finance our future growth and development, implement further marketing and sales activities, fund ongoing research and development activities and meet general working capital needs. Our capital requirements will depend on many factors, including acceptance of and demand for our products, the extent to which we invest 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 us or at all. Further, the terms of our debt may limit our ability to incur additional indebtedness or issue additional equity. If we are unable to obtain adequate funds on acceptable terms, we may be unable to develop or enhance our products, take advantage of future opportunities or respond to competitive pressures, which could harm our business.

The agreements and instruments governing our debt contain restrictions and limitations that could affect our ability to operate our business, as well as impact our liquidity.

As of June 30, 2013, our total principal amount of long-term debt was $2,408 million (including $11 million of unamortized discount in connection with the Term Loan, which has a face value of $1,500 million but is carried at $1,489 million on our balance sheet). During 2012, Tronox Incorporated refinanced its debt to allow for the Transaction and to provide the financing needs for Tronox Limited following completion of the Transaction. Additionally, during 2012, we issued $900 million aggregate principal amount of senior notes. During 2013, we refinanced our $700 million Term Facility with the $1.5 billion Term Loan.

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Our credit facilities contain a number of significant covenants that could adversely affect our ability to operate our business, our liquidity, and our results of operations. These covenants restrict, among other things, our and its subsidiaries ability to:

- incur, assume or guarantee additional indebtedness;
- pay dividends or distributions in respect of capital stock or make certain other restricted payments or investments;
- incur liens;
- restrict dividends, loans or asset transfers from our subsidiaries;
- sell or otherwise dispose of assets, including capital stock of subsidiaries;
- consolidate or merge with or into, or sell substantially all of our assets to, another person;
- enter into sale and leaseback transactions;
- enter into transactions with affiliates; and
- enter into new lines of business.

Our UBS Revolver includes requirements relating to the ratio of adjusted EBITDA to certain fixed charges during periods when excess borrowing availability is below a certain minimum threshold. The breach of any covenants or obligations in our credit facilities, not otherwise waived or amended, could result in a default under the applicable debt obligations (and cross-defaults to certain other debt obligations) and could trigger acceleration of those obligations, which in turn could trigger other cross defaults under other future agreements governing our long-term indebtedness. In addition, the secured lenders under the credit facilities could foreclose on their collateral, which includes equity interests in our subsidiaries, and exercise other rights of secured creditors. Any default under those credit facilities could adversely affect our growth, our financial condition, our results of operations and our ability to make payments on our credit facilities, and could force us to seek the protection of bankruptcy laws.

Requirements associated with being a public company have increased our costs, may consume our resources and management s focus, and may affect our ability to attract and retain qualified board members and executive officers.

Prior to the Transaction, we were not 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. We will comply with Section 404(a) (management s report on financial reporting) under the Sarbanes-Oxley Act of 2002 for the year ending December 31, 2012 and expect to comply with Section 404(b) (auditor s attestation) no later than the year ending December 31, 2013. We are working with our legal and independent accounting advisors to identify those areas in which changes or enhancements should be made to our financial and management control systems to manage our 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, financial reporting and accounting systems. The expenses that will be required in complying with our obligations as 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 being a public company may make it more difficult for us to retain executive officers and directors to serve on our board.

Tronox Limited s financial information is not readily comparable to prior periods due to the completion of the Transaction and Tronox Incorporated s emergence from bankruptcy.

Effective January 31, 2011, as a result of its emergence from bankruptcy, Tronox Incorporated 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

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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. As such, 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.

Tronox Limited was formed on September 21, 2011 for the purpose of the Transaction, and had no operating history or revenues before the Transaction. The Consolidated Balance Sheet as of December 31, 2012 relates to Tronox Limited and the Consolidated Balance Sheet as of December 31, 2011 relates to Tronox Incorporated. The Consolidated Statement of Operations and the Consolidated Statement of Cash Flows for the year ended December 31, 2012 reflect the consolidated operating results of Tronox Incorporated prior to June 15, 2012, and, from June 15, 2012 through December 31, 2012, reflect the consolidated operating results of Tronox Limited. The Consolidated Statements of Operations and the Consolidated Statements of Cash Flows for the eleven months ended December 31, 2011, one month ended January 31, 2011 and year ended December 31, 2010 reflect the consolidated operating results of Tronox Incorporated.

Additionally, prior to the Transaction Date, Tronox Incorporated operated the Tiwest Joint Venture with Exxaro Australia Sands Pty Ltd. The Tiwest Joint Venture was a contractual relationship between Tronox Incorporated and Exxaro whereby each party held an undivided interest in each asset of the joint venture, and each party was proportionally liable for each of the joint venture s liabilities. The Tiwest Joint Venture was not a separate legal entity and did not enter into any transactions. Transactions were entered into by the joint venture partners who had the right to sell their own product, collect their proportional share of the revenues and absorb their share of costs. As such, Tronox Incorporated did not account for the Tiwest Joint Venture under the equity method. Instead, Tronox Incorporated accounted for its share of the Tiwest Joint Venture s assets that were jointly controlled and its share of liabilities for which it was jointly responsible on a proportionate gross basis in its Consolidated Balance Sheet. Additionally, Tronox Incorporated accounted for the revenues generated from its share of the products sold and its share of the expenses of the joint venture on a gross basis in its Consolidated Statements of Operations. As such, as of the Transaction Date, we own 100% of the operations formerly operated by the Tiwest Joint Venture. As such, the Consolidated Balance Sheets as of June 30, 2013 and December 31, 2012 include 100% of the Tiwest operations assets and liabilities, while the Consolidated Balance Sheet as of December 31, 2011 includes Tronox Incorporated s 50% undivided interest in each asset and liability of the joint venture. The Consolidated Statements of Operations for the three and six months ended June 30, 2013 reflects 100% of the revenues and expenses of the Tiwest operation. The Consolidated Statement of Operations for the three and six months ended June 30, 2012 and year ended December 31, 2012 reflect Tronox Incorporated s revenues generated from its share of the products sold and its share of the expenses of the joint venture on a gross basis prior to June 15, 2012, and, from June 15, 2012 through December 31, 2012, reflect 100% of the revenues and expenses of the Tiwest operation. The Consolidated Statements of Operations for the eleven months ended December 31, 2011, one month ended January 31, 2011 and year ended December 31, 2010 reflect Tronox Incorporated s revenues generated from its share of the products sold and its share of the expenses of the joint venture on a gross basis.

Exxaro may exert substantial influence over us as a shareholder.

At June 30, 2013 and December 31, 2012, Exxaro held approximately 44.4% and 44.6%, respectively, of the voting securities of Tronox Limited. In addition, in the future, Exxaro may exchange its retained interest in the mineral sands business for additional Class B Shares.

In addition to Exxaro s significant ownership interest, Exxaro is entitled to certain rights under the Constitution and the Shareholder s Deed of Tronox Limited. For example, the Constitution provides that, for as long as the Class B voting interest is at least 10% of the total voting interest in Tronox Limited, there must be

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nine directors on our board; the holders of Class A Shares will be entitled to vote separately to elect a certain number of directors to our 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 our board (which we refer to as Class B Directors). If the Class B voting interest is greater than or equal to 30%, our 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% but less than 30%, our 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% but less than 20%, our 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%, 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 our assets 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 our management, operations and potential significant corporate transactions, including a change in control or the sale of all or substantially all of our assets. Exxaro s influence may have an adverse effect on the trading price of our ordinary shares.

Our South African operations may lose the benefit of the Black Economic Empowerment (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 our South African operations.

Exxaro retains a 26% direct ownership interest in each of Tronox Sands and Tronox 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 Tronox Sands and Tronox TSA Sands no longer applies, as determined by the DMR. If either Tronox Sands or Tronox 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 we may dispose of Exxaro s shares in the non-qualifying company to another, BEE compliant, qualifying purchaser. During any period of any non-qualification, our 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 us 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 Tronox Sands and Tronox TSA Sands is sold to another purchaser, we would be required to share ownership and control of its South African operations with a minority shareholder, which may impact our operational and financial flexibility and could impact profitability, expansion opportunities and our results of operations.

Estimations of our 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 are estimates of the quantity and ore grades in our mines based on the 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 made in interpreting the geological data. The 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. We use various exploration techniques, including geophysical surveys and

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sampling through drilling and trenching, to investigate resources and implements applicable quality assurance and quality control criteria to ensure that data is representative. Our mineral reserves represent the amount of ore that we believe can be successfully mined and processed, and are estimated based on a number of factors, which have been stated in accordance with the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves, effective July 2007 (the SAMREC Code) and Joint Ore Reserves Committee Code (2004) (the JORC Code).

There is significant uncertainty in any mineral reserve or mineral resource estimate. Factors that are beyond our 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 our estimates. Since these mineral resources and reserves are estimates based on assumptions related to factors discussed above, we may revise these estimates in the future as we become aware of new developments. To maintain TiO_2 feedstock production beyond the expected lives of our existing mines or to increase production materially above projected levels, we will need to access additional reserves through exploration or discovery.

We use significant amounts of water in our 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. Our surface retreatment operations in South Africa 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 our significant use of water in our mining operations. Our plants and piping infrastructure were designed to carry certain minimum throughputs, so any reductions in the volumes of available water may require us to adjust production at these operations. However, our 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, our South African mining operations are subject to water use licenses that govern each operation s water use. These licenses require, among other conditions, that mining operations achieve and maintain certain water quality limits for all water discharges, where applicable. Our 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.

The capacity and cost of transportation facilities, as well as transportation delays and interruptions, could adversely affect our ability to supply titanium feedstock to our pigment operations and our products to our customers.

Our ability to sell TiO_2 pigment, titanium feedstock, zircon and other products depends primarily upon road transport, third-party rail systems, ports, storage and container shipping. We have no control over those logistical factors which effect transport efficiency, such as the condition of the roads or the quality of ports from which our products are exported, and alternative transportation and delivery systems generally are inadequate or unsuitable to handle the quantity of our shipments and to ensure timely delivery. If we are unable to obtain road, rail, sea or other transportation services, or to do so on a cost-effective basis, our business and growth strategy would be adversely affected.

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If we are unable to innovate and successfully introduce new products, or new technologies or processes reduce the demand for our products or the price at which we can sell products, our profitability could be adversely affected.

Our industries and the end-use markets into which we sell our products experience periodic technological change and product improvement. Our future growth will depend on our ability to gauge the direction of commercial and technological progress in key end-use markets and on our ability to fund and successfully develop, manufacture and market products in such changing end-use markets. We must continue to identify, develop and market innovative products or enhance existing products on a timely basis to maintain our profit margins and our competitive position. We 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 we fail to keep pace with the evolving technological innovations in our end-use markets on a competitive basis, our 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 our 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 our products or affect the competitiveness of our business. We may be required to invest significant resources to adapt to changing technologies, markets and competitive environments.

Implementing a new enterprise resource planning (ERP) system could interfere with our business or operations and could adversely impact our financial position, results of operations and cash flows.

We began the implementation of a major ERP system in 2012. This project requires significant investment of capital and human resources, the re-engineering of many of our processes, 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 we had anticipated and could adversely affect our ability to provide services to our customers and vendors, file reports with regulatory agencies in a timely manner, manage our internal controls or otherwise operate our business. Any of these consequences could have an adverse effect on our results of operations and financial condition.

Violations or noncompliance with the extensive environmental, health and safety laws and regulations to which we are subject or changes in laws or regulations governing our operations could result in unanticipated loss or liability.

Our 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 use of natural resources, pollution, protection of the environment, transporting and storing raw materials and finished products and storing and disposing of hazardous wastes. The costs of compliance with the extensive environmental, health and safety laws and regulations to which we are subject or the inability to obtain, update or renew permits required for operation or expansion of our business could reduce our profitability or otherwise adversely affect our business. We may in the future incur substantial costs, including fines, damages, criminal or civil sanctions and remediation costs, or experience interruptions in our operations, for violations arising under these laws and regulations. In the event of a catastrophic incident involving any of the raw materials we use or chemicals or mineral products we produce, we could incur material costs as a result of addressing the consequences of such event.

Changes to existing laws governing operations, especially changes in laws relating to transportation of mineral resources, the treatment of land and infrastructure, contaminated land, the remediation of mines, tax

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royalties, exchange control restrictions, environmental remediation, mineral rights, ownership of mining assets or the rights to prospect and mine may have a material adverse effect on our future business, operations and financial performance. There is risk that onerous conditions may be attached to authorizations in the form of mining rights, water use licenses, miscellaneous licenses and environmental approvals or that the grant of these approvals may be delayed or not granted.

While Tronox Incorporated received a discharge and/or release for its significant legacy environmental and tort liabilities in relation to its United States based operations upon emergence from the Chapter 11 cases, from time to time we may be party to a number of legal and administrative proceedings involving environmental and other matters in various courts and before various agencies, which may include proceedings in relation to any Tronox operations acquired within the United States following the Chapter 11 cases. These could include proceedings associated with facilities owned, operated or used by us, 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 our key raw materials or products has, or is characterized as having, a toxicological or health-related impact on our environment, customers or employees could subject us 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 our financial condition and results of operations.

Our current operations involve the production and management of regulated materials that are subject to various environmental laws and regulations and are dependent on obtaining and the periodic renewal of permits from various governmental agencies. The inability to obtain, update or renew permits related to the operation of our businesses, or the costs required in order to comply with permit standards, could have a material adverse effect on us.

If we fail to comply with the conditions of our 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 we could be prevented from obtaining new mining and prospecting rights, which could materially and adversely affect our business, operating results and financial condition. In addition, if we are unable to obtain or maintain necessary permits, authorizations or agreements to prospect or mine or to implement planned projects or continue our operations under conditions or within timeframes that make such operations economically viable, our operational results and financial condition could be adversely affected.

We compete with other mining and chemical businesses for key human resources in the countries in which we will operate, and our business will suffer if we are unable to hire highly skilled employees or if our key officers or employees discontinue employment with us.

We compete with other chemical and mining companies, and other companies generally, in the countries in which we 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 expanding our businesses. These operations use modern techniques and equipment and accordingly require various types of skilled workers. The success of our business will be materially dependent upon the skills, experience and efforts of our 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. Competition for skilled employees is particularly severe in Western Australia and at Namakwa Sands and this may cost us in terms of higher labor costs or reduced productivity. As a result, we may not be able to attract and retain skilled and experienced employees. Should we lose any of our key personnel or fail to attract and retain key qualified personnel or other skilled employees, our business may be harmed and our operational results and financial condition could be affected.

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There may be difficulty in effecting service of legal process and enforcing judgments against us and our directors and management.

We are 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 officers named in this prospectus, 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.

Third parties may develop new intellectual property rights for processes and/or products that we would want to use, but would be unable to do so; or, third parties may claim that the products we make or the processes that we use infringe their intellectual property rights, which may cause us to pay unexpected litigation costs or damages or prevent us from making, using or selling products we make or require alteration of the processes we use.

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, we 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 us or our products or processes. In the event that any such infringement, misappropriation or violation of the intellectual property rights of others is found, we may need to obtain licenses from those parties or substantially re-engineer our products or processes to avoid such infringement, misappropriation or violation. We might not be able to obtain the necessary licenses on acceptable terms or be able to re-engineer our products or processes successfully. Moreover, if we are found by a court of law to infringe, misappropriate or otherwise violate the intellectual property rights of others, we could be required to pay substantial damages or be enjoined from making, using or selling the infringing products or technology. We 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 our financial condition and results of operations.

Results of our 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 we cannot obtain similar rights on favorable terms and are unable to independently develop non-infringing competitive alternatives.

If our intellectual property were compromised or copied by competitors, or if competitors were to develop similar intellectual property independently, our results of operations could be negatively affected.

Our success depends to a significant degree upon our ability to protect and preserve our intellectual property rights. Although we own and have applied for numerous patents and trademarks throughout the world, we may have to rely on judicial enforcement of our patents and other proprietary rights. Our patents and other intellectual property rights may be challenged, invalidated, circumvented, and rendered unenforceable or otherwise compromised. A failure to protect, defend or enforce our intellectual property could have an adverse effect on our financial condition and results of operations.

We also rely upon unpatented proprietary technology, know-how and other trade secrets to maintain our competitive position. While we maintain policies to enter into confidentiality agreements with our employees and third parties to protect our proprietary expertise and other trade secrets, these agreements may not be enforceable or, even if legally enforceable, we may not have adequate remedies for breaches of such agreements. We also may not be able to readily detect breaches of such agreements. The failure of our patents or confidentiality agreements to protect our proprietary technology, know-how or trade secrets could result in significantly lower revenues, reduced profit margins or loss of market share.

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In addition, we may be unable to determine when third parties are using our intellectual property rights without our authorization. We also have licensed certain of our intellectual property rights to third parties, and we cannot be certain that our licensees are using our intellectual property only as authorized by the applicable license agreement. The undetected or unremedied unauthorized use of our intellectual property rights or the legitimate development or acquisition of intellectual property related to our industry by third parties could reduce or eliminate any competitive advantage we have as a result of our intellectual property, adversely affecting our financial condition and results of operations. If we must take legal action to protect, defend or enforce our intellectual property rights, any suits or proceedings could result in significant costs and diversion of our resources and our management s attention, and we may not prevail in any such suits or proceedings. A failure to protect, defend or enforce our intellectual property rights could have an adverse effect on our financial condition and results of operations.

If our intangible assets or long-lived assets become impaired, we may be required to record a significant charge to earnings.

We have a significant amount of intangible assets and long-lived assets on our consolidated balance sheet. Under generally accepted accounting principles in the United States (U.S. GAAP), we review our intangible assets and long-lived assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Factors that may be considered a change in circumstances, indicating that the carrying value of our intangible assets or long-lived assets may not be recoverable, include, but are not limited to, a significant decline in share price and market capitalization, changes in the industries in which we operate, particularly the impact of a downturn in the global economy, as well as competition or other factors leading to reduction in expected long-term sales or profitability. We may be required to record a significant non-cash charge in our financial statements during the period in which any impairment of our intangible assets or long-lived assets is determined, negatively impacting our results of operations.

If we fail to maintain an effective system of internal controls, we might be unable to report our financial results accurately or prevent fraud.

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 misstatements. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our results of operations or cause us to fail to meet our 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. 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 and the suspension or delisting of our shares from the stock exchange(s) on which our shares are then listed, which could harm our business.

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If we experience material weaknesses in internal controls in the future, as Tronox Incorporated has in the past, or otherwise fail to maintain an effective system of internal controls in the future, we may not be able to accurately report our financial condition or results of operations.

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.

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, we have 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 our internal controls.

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USE OF PROCEEDS

This exchange offer is intended to satisfy our obligations under the Registration Rights Agreement. We will not receive any cash proceeds from the issuance of the Exchange Notes. The Old Notes properly tendered and exchanged for Exchange Notes will be retired and cancelled. Accordingly, no additional debt will result from the exchange. We have agreed to bear the expense of the exchange offer.

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RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth the ratio of earnings to fixed charges on a consolidated basis for each of the periods indicated. For the purposes of computing the ratio of earnings to fixed charges, earnings are defined as income before income taxes plus fixed charges. Fixed charges consist of interest expense (including capitalized interest) and the portion of rental expense that is representative of the interest factor.

	Successor							Predecessor		
	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012	Year Ended December 31, 2012	Eleven Months Ended December 31, 2011	One Month Ended January 31, 2011	Year Ended December 31, 2010	2009	2008
	(Millions of dollars)									
Earnings:										
Income (loss) from continuing operations before income taxes	$	$ 1,060	$ (44)	$ 1,164	$ 1,008	$ 262	$ 632	$ 7	$ (30)	$ (147)
Fixed charges	37	19	65	28	68	31	3	49	36	54
Loss from equity method investee								2	4	1
Capitalized interest	(1)	(1)	(2)	(1)	(2)	(1)				
Total earnings (loss)	$ 36	1,078	$ 19	$ 1,191	$ 1,074	$ 292	$ 635	$ 58	$ 10	$ (92)
Fixed Charges:										
Interest expense	$ 34	$ 14	$ 60	22	$ 53	$ 29	$ 3	$ 40	$ 33	$ 50
Amortization of deferred debt issuance costs and discount on debt	2	4	4	5	10	1		9	3	4
Rental expense representative of interest factor (1)			(1)		3					
Capitalized interest	1	1	2	1	2	1				
Total fixed charges	$ 37	$ 19	$ 65	$ 28	$ 68	$ 31	$ 3	$ 49	$ 36	$ 54
Ratio of earnings to fixed charges	1	57		43	16	9	212	1		
Inadequate earnings	$ 1		$ 46							$ 146

(1) Relates to the financing leases in South Africa.

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CAPITALIZATION

The following table sets forth our combined cash and cash equivalents and combined capitalization as of June 30, 2013 on a historical basis. This information should be read in conjunction with the sections entitled Management s Discussion and Analysis of Financial Condition and Results of Operations, and Unaudited Pro Forma Condensed Combined Statement of Operations, and the historical consolidated financial statements and related notes thereto included in this prospectus.

(in millions)	As of June 30, 2013 Actual
Cash	$ 1,389
Debt:	
Term Loan(1)	$ 1,489
UBS Revolver(2)	
ABSA Revolver(3)	
Other debt(4)	19
Notes(5)	900
Total Debt	$ 2,408
Shareholders Equity	$ 2,384
Total Capitalization	$ 4,792

(1) Includes $11 million of unamortized discount, but excludes an uncommitted incremental facility of $200 million. The Term Loan is carried on our balance sheet at $1,489 million.
(2) Excludes the available borrowing base of $275 million and a $25 million letter of credit and an uncommitted incremental facility of $200 million.
(3) Excludes availability of R900 million (approximately $92 million).
(4) Includes a $7 million asset financing arrangement and $12 million of lease financing.
(5) Represents the principal amount of the Old Notes.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The following table sets forth selected historical financial data for the periods indicated. The statement of operations data and supplemental information for the three and six months ended June 30, 2013 reflect the consolidated operating results of Tronox Limited. The statement of operations data and supplemental information for the three and six months ended June 30, 2012 and the year ended December 31, 2012 reflect the consolidated operating results of Tronox Incorporated prior to June 15, 2012, and, from June 15, 2012 through December 31, 2012, reflect the consolidated operating results of Tronox Limited. The statement of operations data and the supplemental information for the eleven months ended December 31, 2011, one month ended January 31, 2011, and years ended December 31, 2010, 2009 and 2008 reflect the consolidated operating results of Tronox Incorporated. The balance sheet data at June 30, 2013 and 2012 and December 31, 2012 relates to Tronox Limited. The balance sheet data at December 31, 2011, 2010, 2009 and 2008 relates to Tronox Incorporated.

This information should be read in conjunction with our unaudited Condensed Consolidated Financial Statements (including the notes thereto) for the three and six months ended June 30, 2013 and 2012, our Consolidated Financial Statements (including the notes thereto) for the years ended December 31, 2012, 2011 and 2010, and Management s Discussion and Analysis of Financial Condition and Results of Operations, appearing elsewhere in this prospectus.

	Successor							Predecessor		
	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012	Year Ended December 31, 2012	Eleven Months Ended December 31, 2011	One Month Ended January 31, 2011	Year Ended December 31, 2010	2009	2008
	(Millions of dollars, except per share data)									
Statement of Operations Data:										
Net Sales	$ 525	$ 429	$ 995	$ 863	$ 1,832	$ 1,543	$ 108	$ 1,218	$ 1,070	$ 1,246
Cost of goods sold	475	304	913	581	(1,568)	(1,104)	(83)	(996)	(932)	(1,133)
Gross Margin	50	125	82	282	264	439	25	222	138	113
Selling, general and administrative expenses	41	103	92	147	(239)	(152)	(5)	(59)	(72)	(114)
Litigation/arbitration settlement						10				
Gain on land sales									1	25
Impairment of long-lived assets(1)										(25)
Restructuring charges(2)									(17)	(10)
Net loss on deconsolidation of subsidiary									(24)	
Provision for environmental remediation and restoration, net of reimbursements(3)						5		47		(73)
Income (Loss) from Operations	9	22	(10)	135	25	302	20	210	26	(84)
Interest and debt expense(4)	(35)	(14)	(62)	(22)	(65)	(30)	(3)	(50)	(36)	(54)
Loss on extinguishment of debt			(4)							
Other income (expense)	26	(3)	32	(4)	(7)	(10)	2	(8)	(11)	(10)
Gain on bargain purchase		1,055		1,055	1,055					
Reorganization income (expense)							613	(145)	(10)	
Income (Loss) from Continuing Operations before Income Taxes		1,060	(44)	1,164	1,008	262	632	7	(31)	(148)
Income tax benefit (provision)	(1)	84	(2)	66	125	(20)	(1)	(2)	2	2
Income (Loss) from Continuing Operations	(1)	1,144	(46)	1,230	1,133	242	631	5	(29)	(146)
Income (Loss) from discontinued operations, net of income tax benefit (provision)								1	(10)	(189)
Net Income (Loss)	(1)	1,144	(46)	1,230	1,133	242	631	6	(39)	(335)
Income (Loss) attributable to noncontrolling interest	12		24		1					
	$ (13)	$ 1,144	$ (70)	$ 1,230	$ 1,134	$ 242	$ 631	$ 6	$ (39)	$ (335)

Net Income (Loss) attributable to Tronox Limited Shareholders										
Earnings (Loss) from Continuing Operations per Share(5):										
Basic	$ (0.11)	$ 13.46	$ (0.62)	$ 15.31	$ 11.37	$ 3.22	$ 15.28	$ 0.11	$ (0.70)	$ (3.55)
Diluted	$ (0.11)	$ 13.00	$ (0.62)	$ 14.74	$ 11.10	$ 3.10	$ 15.25	$ 0.11	$ (0.70)	$ (3.55)

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	Successor						Predecessor			
	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012	Year Ended December 31, 2012	Eleven Months Ended December 31, 2011	One Month Ended January 31, 2011	Year Ended December 31, 2010	Year Ended December 31, 2009	Year Ended December 31, 2008
	(Millions of dollars, except per share data)									
Balance Sheet Data:										
Working capital(6)			2,318	1,232	$ 1,706	$ 488	$ 458	$ 483	$ 489	$ (247)
Property, plant and equipment, net and Mineral leasehold, net			$ 2,630	2,918	$ 2,862	542	318	316	314	347
Total assets			$ 5,847	5,111	$ 5,511	$ 1,657	$ 1,091	$ 1,098	$ 1,118	$ 1,045
Noncurrent liabilities:										
Long-term debt(6)			2,390	712	$ 1,605	$ 421	$ 421	$ 421	$ 423	$
Environmental remediation and/or restoration(7)						1	1	1		546
All other noncurrent liabilities			531	470	557	203	153	154	50	125
Total liabilities(9)			$ 3,257	1,700	$ 2,629	$ 905	$ 848	$ 828	$ 683	$ 1,642
Liabilities subject to compromise					$	$	$ 897	$ 900	$ 1,048	$
Total equity			$ 2,590	3,412	$ 2,882	$ 752	$ (654)	$ (630)	$ (613)	$ (598)
Supplemental Information:										
Depreciation, depletion and amortization expense	$ 73	$ 31	146	53	$ 211	$ 79	$ 4	$ 50	$ 53	$ 76
Capital expenditures	$ 34	$ 27	79	48	$ 166	$ 133	$ 6	$ 45	$ 24	$ 34
EBITDA(8)	$ 107	$ 1,105	162	1,239	$ 1,284	$ 371	$ 639	$ 108	$ 49	$ (207)
Adjusted EBITDA(8)	$ 101	$ 147	174	298	$ 503	$ 468	$ 24	$ 203	$ 142	$ 99

(1) In 2008, Tronox Incorporated recorded impairment charges for long-lived assets of approximately $3 million related to Savannah, Georgia, and approximately $22 million related to Botlek, the Netherlands.

(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 certain legacy liabilities, the obligation for this clean-up work had been recorded in 2008 and prior years.

(4) Excludes $3 million, $33 million and $32 million in the one month ended January 31, 2011 and years ended December 31, 2010 and 2009, respectively, that would have been payable under the terms of the 9.5% senior unsecured notes.

(5) On June 26, 2012, the Board of Directors of Tronox Limited approved a 5-to-1 share split for holders of its Class A ordinary shares and Class B ordinary shares at the close of business on July 20, 2012, by issuance of four additional shares for each share of the same class by way of bonus issue. All references to number of shares and per share data in the Successor s consolidated financial statements have been adjusted to reflect the share split, unless otherwise noted. See Note 15 of Notes to Consolidated Financial Statements for additional information regarding the Company s share split.

(6) Working capital is defined as the excess (deficit) of current assets over current liabilities. Due to Tronox Incorporated s financial condition at December 31, 2008, the entire balance of our outstanding debt of $563 million was classified as current obligations, resulting in long-term debt having a balance of $0 and working capital being a deficit. In 2009, the $350 million senior unsecured notes were reclassified to Liabilities Subject to Comprise.

(7) As a result of the bankruptcy filing and certain legacy liabilities accounting, environmental remediation and/or restoration liabilities were reclassified to Liabilities Subject to Compromise in 2009.

(8) EBITDA represents income (loss) before interest expense, income tax benefit (provision), and depreciation and amortization expense. Adjusted EBITDA represents EBITDA as further adjusted to reflect certain items, including as permitted by the applicable credit facilities then in effect.

(9) Represents total liabilities before liabilities subject to compromise.

EBITDA and Adjusted EBITDA, which are used by management to measure performance, are non-U.S. GAAP financial measures. Management believes that EBITDA is useful to investors, as it is commonly used in the industry as a means of evaluating operating performance. EBITDA and Adjusted EBITDA are not recognized terms under U.S. GAAP and do not purport to be an alternative measure of our financial performance as determined in accordance with U.S. GAAP. Because other companies may calculate EBITDA and Adjusted EBITDA differently than we do, EBITDA and Adjusted EBITDA, as presented herein, may not be comparable to similarly titled measures reported by other companies.

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Management believes these non-U.S. GAAP financial measures:

- Reflect our ongoing business in a manner that allows for meaningful period-to-period comparison and analysis of trends in our business, as they exclude income and expense that are not reflective of ongoing operating results;

- Provide useful information in understanding and evaluating our operating results and comparing financial results across periods;

- Provide a normalized view of our operating performance by excluding items that are either non-cash or non-recurring in nature;

- Enable investors to assess our compliance with financial covenants under our debt instruments; and

- Adjusted EBITDA is one of the primary measures management uses for planning and budgeting processes and to monitor and evaluate financial and operating results.

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The following table reconciles net income (loss) to EBITDA and Adjusted EBITDA for the periods presented:

	Successor						Predecessor			
	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012	Year Ended December 31, 2012	Eleven Months Ended December 31, 2011	One Month Ended January 31, 2011	Year Ended December 31, 2010	Year Ended December 31, 2009	Year Ended December 31, 2008
	(Millions of dollars)									
Net income (loss)	$ (1)	$ 1,144	$ (46)	$ 1,230	$ 1,133	$ 242	$ 631	$ 6	$ (39)	$ (335)
Interest and debt expense, net of interest income	34	14	60	22	65	30	3	50	36	54
Income tax provision (benefit)	1	(84)	2	(66)	(125)	20	1	2	(1)	(2)
Depreciation and amortization expense	73	31	146	53	211	79	4	50	53	76
EBITDA	107	1,105	162	1,239	1,284	371	639	108	49	(207)
Gain on bargain purchase		(1,055)		(1,055)	(1,055)					
Amortization of inventory step up and unfavorable ore sales contracts from purchase accounting	(2)	21	6	21	152					
Share-based compensation	6	20	11	27	31	14		1		1
Loss on extinguishment of debt			4							
Transfer tax incurred due to acquisition					37					
Reorganization expense associated with bankruptcy(a)							46	145	10	
Gain on fresh-start accounting							(659)			
Provision for environmental remediation and restoration, net of reimbursements(b)						(5)		(47)		73
(Income) loss from discontinued operations								(1)	10	189
Restructuring costs not associated with the bankruptcy(c)										14
Pension and postretirement settlement/curtailments									10	26
Loss on sale of assets									(1)	(25)
Impairment charges(d)									1	25
Unusual or non-recurring items(e)									24	
Litigation/arbitration settlement						(10)				
Amortization of fresh-start inventory step up						36				
Foreign currency remeasurement	(13)	2	(19)	1	6	7	(1)	12	15	(7)
Transactions costs and financial statement restatement costs(f)		50		59	32	39				
Other items(g)	3	4	10	6	16	16	(1)	(15)	24	10
Adjusted EBITDA	$ 101	$ 147	$ 174	$ 298	$ 503	$ 468	$ 24	$ 203	$ 142	$ 99

(a) Tronox Incorporated 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 certain legacy liabilities, as described in notes 1 and 5 to the annual Consolidated Financial Statements, the obligation for this clean-up work had been recorded in 2008 and prior years.

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(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 million related to Savannah, Georgia, and approximately $22 million related to Botlek, the Netherlands.
(e) The 2009 amount represents the net loss on deconsolidation of Tronox Incorporated s German subsidiaries.
(f) During 2012, transaction costs consist of costs associated with the acquisition of the mineral sands business, including banker fees, legal and professional fees, as well as costs associated with the preparation and amending of the registration statement on Form S-4 filed with the Securities and Exchange Commission in connection with the Transaction and costs associated with the integration of the mineral sands business that occurred after the closing of the Transaction. During the eleven months ended December 31, 2011, transaction costs and financial statement restatement costs include expenses related to the Transaction, fresh-start accounting fees, costs associated with restating Tronox Incorporated s environmental reserves and the auditing of the historical financial statements. Costs associated with the Transaction include legal and professional fees related to due diligence and transaction advice as well as investment banking fees.
(g) Includes noncash pension and postretirement costs, accretion expense, fixed asset write-downs and abandonment expense, gains and losses on the sale of assets, noncash gains on liquidation of a subsidiary, income (loss) from discontinued operations, severance expense and other noncash or non-recurring income or expenses. Additionally, Tronox Incorporated incurred legal fees associated with the exit from bankruptcy.

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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 Tronox Limited s unaudited Condensed Consolidated Financial Statements for the three months ended June 30, 2013 and 2012 and the related notes thereto, and the audited Consolidated Financial Statements for the years ended December 31, 2012, 2011 and 2010 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 Management s Discussion and Analysis of Financial Condition and Results of Operations contains certain financial measures, in particular the presentation of Income from Operations, EBITDA and Adjusted EBITDA, which are not presented in accordance with accounting principles generally accepted in the United States (U.S. GAAP). We are presenting these non-U.S. GAAP financial measures because they provide us and readers of prospectus with additional insight into our operational performance relative to earlier periods and relative to our competitors. We do not intend for these non-U.S GAAP financial measures to be a substitute for any U.S. GAAP financial information. Readers of these statements should use these non-U.S. GAAP financial measures only in conjunction with the comparable U.S. GAAP financial measures. A reconciliation of Income from Operations to Income from Continuing Operations, the most comparable U.S. GAAP measure is provided herein. A reconciliation of Net income to EBITDA and Adjusted EBITDA is also provided herein.

Overview

We are a global leader in the production and marketing of titanium bearing mineral sands and titanium dioxide pigment (TiO). We are the third largest global producer and marketer of TiO_2 manufactured via chloride technology, as well as the third largest global producer of titanium feedstock and a leader in global zircon production. We have operations in North America, Europe, South Africa and the Asia-Pacific region. We operate three TiO_2 facilities at the following locations: Hamilton, Mississippi; Botlek, The Netherlands; and Kwinana, Western Australia, representing approximately 465,000 tonnes of annual TiO_2 production capacity. Additionally, we operate three separate mining operations: KwaZulu-Natal (KZN) Sands located in South Africa, Namakwa Sands located in South Africa and Cooljarloo Sands located in Western Australia, which have a combined annual production capacity of approximately 753,000 tonnes of titanium feedstock and approximately 265,000 tonnes of zircon.

We have two reportable operating segments, Mineral Sands and Pigment. Corporate and other is comprised of our electrolytic manufacturing and marketing operations, as well as our corporate activities, including businesses that are no longer in operation.

The Mineral Sands segment includes the exploration, mining and beneficiation of mineral sands deposits. These operations produce titanium feedstock, including chloride slag, slag fines and rutile, as well as zircon and pig iron. Titanium feedstock is used primarily to manufacture TiO_2. Zircon is a mineral which is primarily used as an opacifier in ceramic glazes for tiles, plates, dishes and industrial products.

The pigment segment primarily produces and markets TiO_2. 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 paint and other coatings, plastics and paper and in a wide 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 a cost-effective manner.

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Acquisition of Mineral Sands Business

Because we believed that becoming vertically integrated would benefit us by assuring our access to critical supply, retaining cash and margin in the Company, and enabling general operating flexibility, we acquired a global producer of mineral sands with production facilities and sales and marketing presence strategically positioned throughout the world. Specifically, we acquired 74% of Exxaro Resources Ltd s (Exxaro) South African mineral sands operations, including its Namakwa and KZN Sands mines, separation and slag furnaces, along with its 50% share of the Tiwest Joint Venture in Western Australia (together the mineral sands business) (the Transaction). On June 15, 2012, the date of the Transaction (the Transaction Date), the existing business of Tronox Incorporated was combined with the mineral sands business under Tronox Limited. As such, as of the Transaction Date, we own 100% of the operations formerly operated by the Tiwest Joint Venture.

Prior to the Transaction Date, Tronox Incorporated operated the Tiwest Joint Venture with Exxaro Australia Sands Pty Ltd., a subsidiary of Exxaro, which operated a chloride process TiO_2 plant located in Kwinana, Western Australia, a mining operation in Cooljarloo, Western Australia, and a mineral separation plant and a synthetic rutile processing facility, both in Chandala, Western Australia.

Recent Developments

Dividends Declared On August 6, 2013, the Board declared a quarterly dividend of $0.25 per share to holders of our Class A Shares and Class B Shares at the close of business on August 19, 2013, totaling $29 million, which will be paid on September 4, 2013. On May 7, 2013, the Board declared a quarterly dividend of $0.25 per share which was paid on May 28, 2013 to holders of Class A Shares and Class B Shares at close of business on May 20, 2013. On February 19, 2013, the Board declared a quarterly dividend of $0.25 per share which was paid on March 20, 2013 to holders of our Class A Shares and Class B Shares at close of business on March 6, 2013. During the six months ended June 30, 2013, the Company paid dividends of $57 million. See Note 14 of Notes to unaudited Condensed Consolidated Financial Statements.

Extinguishment of Debt On February 28, 2013, we repaid the outstanding principal balance of $149 million, plus interest, related to the $150 million Senior Secured Delayed Draw Term Loan (the Senior Secured Delayed Draw Term Loan). See Note 11 of Notes to unaudited Condensed Consolidated Financial Statements.

Term Loan On March 19, 2013, we entered into an Amended and Restated Credit and Guaranty Agreement (the Amended and Restated Credit Agreement). Pursuant to the Amended and Restated Credit Agreement, we obtained the Term Loan, which matures on March 19, 2020. See Note 11 of Notes to unaudited Condensed Consolidated Financial Statements.

Executive Management Departure On February 9, 2013, Daniel D. Greenwell voluntarily resigned as Chief Financial Officer, effective March 31, 2013. In connection with Mr. Greenwell s resignation, Mr. Greenwell and the Company executed a separation agreement (the Greenwell Separation Agreement). Pursuant to the terms of the Greenwell Separation Agreement, Mr. Greenwell received a lump sum cash payment equal to $1.4 million and immediate accelerated vesting of 25,208 shares of restricted stock and 11,167 options. In addition, he received continued coverage under the Company s benefit plans or equivalent coverage until September 30, 2014.

Dividends Declared On November 8, 2012, our Tronox Limited Board of Directors (our Board) declared a quarterly dividend of $0.25 per share to holders of our Class A Shares and Class B Shares, totaling approximately $29 million. On June 26, 2012, our Board declared a quarterly dividend of $0.25 per share to holders of our Class A Shares and Class B Shares, totaling $32 million. See Note 15 of Notes to Consolidated Financial Statements.

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Exxaro Class A Share Purchase Agreement During October 2012, Exxaro purchased 1.4 million Class A Shares in the open market purchases. At December 31, 2012, Exxaro held approximately 44.6% of the voting securities of Tronox Limited. See Note 15 of Notes to Consolidated Financial Statements.

Executive Management Departure On September 30, 2012, we entered into a Separation Letter Agreement with Robert C. Gibney, former Senior Vice President and Chief Administrative Officer of Tronox Limited. Mr. Gibney s resignation was effective on September 29, 2012 (the Gibney Separation Date). Pursuant to his agreement, among other things, Mr. Gibney will receive severance in the amount of $650,000 payable biweekly over the 365 days following the Gibney Separation Date. We accrued for Mr. Gibney s severance as of the Gibney Separation Date. Additionally, 7,500 restricted shares vested immediately and all remaining unvested awards were immediately forfeited and cancelled without any consideration being paid.

T-Bucks Employee Participation Plan (T-Bucks EPP) In September 2012, we created the T-Bucks EPP for the benefit of certain employees in South Africa. An initial capital contribution to the T-Bucks Trust of R124 million (approximately $15 million), was used to acquire 548,234 Class A Shares. See Note 19 of Notes to Consolidated Financial Statements.

Regulatory Approval In September 2012, the South African Department of Mineral Resources approved our amendment application to the Environmental Management Program for Project Fairbreeze. This, together with the National Environmental Management Act authorization received earlier this year, allows us to commence with selected construction activities while awaiting further authorizations. During October 2012, the Mtunzini Conservatory filed an application for an injunction to halt the early-phase construction at our KZN Fairbreeze mine. We opposed the injunction and received a favorable court ruling and cost award in the matter. We recently entered into a settlement agreement with the Mtunzini Conservancy that settled the cost claim and will allow us to continue with early-phase construction as planned.

Share Repurchases During 2012, we repurchased 12.6 million Class A Shares, affected for the 5-for-1 share split, at an average price of $25.84 per share, inclusive of commissions, for a total cost of $326 million. On September 27, 2012, we announced the successful completion of our share repurchase program. See Note 15 of Notes to Consolidated Financial Statements.

Senior Notes On August 20, 2012, Tronox Limited s wholly-owned subsidiary, Tronox Finance LLC, issued $900 million aggregate principal amount of 6.375% senior notes due 2020 (the Senior Notes). The Senior Notes bear interest semiannually at a rate equal to 6.375% and were sold at par value. See Note 12 of Notes to Consolidated Financial Statements.

Share Split Declared On June 26, 2012, our Board of Directors approved a 5-to-1 share split for holders of our Class A Shares and Class B Shares at the close of business on July 20, 2012, by issuance of four additional shares for each share of the same class. See Note 15 of Notes to Consolidated Financial Statements.

UBS Revolver On June 18, 2012, in connection with the closing of the Transaction, we entered into the UBS Revolver with a maturity date of June 18, 2017. The UBS Revolver provides us with a committed source of capital with a principal borrowing amount of up to $300 million, subject to a borrowing base. See Note 12 of Notes to Consolidated Financial Statements.

ABSA Revolver In connection with the Transaction, we entered into the R900 million (approximately $106 million) ABSA Revolver. See Note 12 of Notes to Consolidated Financial Statements.

Term Loan Draw Down On June 14, 2012, in connection with the closing of the Transaction, we drew down the $150 million on the Senior Secured Delayed Draw Term Loan (as discussed in *Exit Facility Refinancing* below). See Note 12 of Notes to Consolidated Financial Statements.

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Refinancing of the Wells Revolver On February 8, 2012, Tronox Incorporated amended the Wells Revolver to facilitate the Transaction while keeping the revolver in force. On June 18, 2012, in connection with the Transaction, we utilized the UBS Revolver to refinance the $125 million senior secured credit agreement with Wells Fargo Capital Finance, LLC (the Wells Revolver). See Note 12 of Notes to Consolidated Financial Statements.

Exit Facility Refinancing On February 8, 2012, Tronox Incorporated refinanced its $425 million exit facility due October 21, 2015 (the Exit Financing Facility), and obtained a new Goldman Sachs facility comprised of a $550 million Senior Secured Term Loan and a $150 million Senior Secured Delayed Draw Term Loan (together, the Term Facility). The Term Facility expressly permitted the Transaction and, together with existing cash, funded the cash needs of the combined business, including cash needs in the Transaction. See Note 12 of Notes to Consolidated Financial Statements.

Business Environment

The following discussion includes trends and factors that may affect future operating results.

Vertical Integration Our integration plan is on track to more fully demonstrate the material cost advantages it gives us. The vertical integration of titanium feedstock and TiO_2 production provides us with a secure and cost competitive supply of high grade titanium feedstock over the long term. Our ability to supply all of the feedstock that our pigment operations require enables us to balance our consumption and sales in ways that we believe our competitors cannot. Beginning with the first quarter of 2013, titanium feedstock sold internally to the pigment segment increased. As a result, during the first quarter of 2013, we cancelled, at our option and without penalty, contracts with two external ore suppliers.

Mineral Sands Titanium feedstock selling prices declined slightly during the first quarter of 2013; however, there was higher priced tonnage that was shipped in the first quarter that had been scheduled to ship in the fourth quarter of 2012, and which was priced at higher prices. While both rutile and zircon pricing declined, volumes for rutile remained subdued and zircon volumes showed a marked increase.

Pigment During the second quarter of 2013, we saw an increase of TiO_2 sales volumes from the first quarter of 2013 in all three major regions; however we saw a decrease in selling prices. Prices decreased slightly in the second quarter as inventory levels continue to decline. On May 30, 2013, we announced price increases for all of our titanium dioxide grades. We cannot predict whether, or to what effect, such proposed price increases will be implemented.

Supply and Demand During 2013, we expect to see sequential demand momentum in both the mineral sands and pigment businesses. Our vertical integration continues on plan with an increasing percentage of titanium feedstock used by our pigment business sourced internally from our mineral sands business.

Competition We operate in highly competitive markets, and face competition not only from chloride process pigment producers, but also sulphate process pigment producers. Moreover, because transport costs are minor relative to the cost of our product, there is also some competition between products produced in one region versus products produced in another region.

Seasonality The demand for TiO_2 during a given year is subject to seasonal fluctuations. 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 winter and New Year celebrations due to reduced zircon demand from China.

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Currency Exchange Rates The financial condition and results of operations of our operating entities in The Netherlands, Australia and South Africa are reported in various foreign currencies and then converted into U.S. dollars at the applicable exchange rates for inclusion in our consolidated financial statements. As a result, any volatility of the U.S. dollar against these foreign currencies creates uncertainty for and may have a positive or negative impact on reported sales and operating results. Foreign currency effects appear in our financial statements in several ways. First, they impact reported amounts of revenues and expenses and are embedded in each line item of the financial statements. Second, for changes in reported asset and liability amounts, changes are reported in either other income (expense) on the unaudited Condensed Consolidated Statements of Operations or in cumulative translation adjustments in Accumulated other comprehensive income (loss) on the unaudited Condensed Consolidated Balance Sheets.

For the three and six months ended June 30, 2013, the U.S. dollar strengthened approximately 6% and 14%, respectively, against the South African Rand.

Environmental We currently report and manage greenhouse gas (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 Environmental Protection Agency (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 our facilities are currently subject to GHG emissions monitoring and reporting. Changes or additional requirements due to GHG regulations could impact our 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 GHGs in the atmosphere may result in climatic changes. Depending on the severity of climatic changes, our operations could be adversely affected. The Western Australian operations are subject to a new Australian carbon tax law that went into effect in July 2012, resulting in an approximate $7 million impact annually.

Political and social unrest in South Africa South Africa has been experiencing political and social unrest in several mining industries. Changes to or instability in the economic or political environment in South Africa 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 our production and results of operations. We negotiate new labor contracts with the unions in South Africa annually. These have been successfully concluded for the period up to June 2014. We value our relations with our employees and their representatives, and consider them to be stable.

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Consolidated Results of Operations

Three and Six Months Ended June 30, 2013 Compared to the Three and Six Months Ended June 30, 2012

	Three Months Ended June 30,			Six Months Ended June 30,		
	2013	2012	Variance	2013	2012	Variance
Net Sales	$ 525	$ 429	$ 96	$ 995	$ 863	$ 132
Cost of goods sold	475	304	171	913	581	332
Gross Margin	50	125	(75)	82	282	(200)
Selling, general and administrative expenses	41	103	(62)	92	147	(55)
Income (Loss) from Operations	9	22	(13)	(10)	135	(145)
Interest and debt expense	(35)	(14)	(21)	(62)	(22)	(40)
Loss on extinguishment of debt				(4)		(4)
Other income (expense)	26	(3)	29	32	(4)	36
Gain on bargain purchase		1,055	(1,055)		1,055	(1,055)
Income (Loss) before Income Taxes		1,060	(1,060)	(44)	1,164	(1,208)
Income tax provision	(1)	84	(85)	(2)	66	(68)
Net (Loss) Income	(1)	1,144	(1,145)	(46)	1,230	(1,276)
Income attributable to noncontrolling interest	12		12	24		24
Net (Loss) Income attributable to Tronox Limited	$ (13)	$ 1,144	$ (1,157)	$ (70)	$ 1,230	$ (1,300)

Net sales for the second quarter of 2013 and six months ended June 30, 2013 increased 22% and 15%, respectively. The increase in net sales for 2013 reflects the impact of the acquired businesses and higher volumes across all business units, partially offset by lower selling prices. The acquired businesses contributed $300 million to net consolidated net sales during the six months ended June 30, 2013 compared to $26 million during the same period in 2012. Higher volumes in the pigment business primarily reflect an increase in shipments to the Asia-Pacific and European regions, while Mineral Sands volumes grew due to stronger sales of zircon. Lower prices primarily resulted from softening market demand in the pigment business in late 2011 and early 2012, which accelerated in the latter half of 2012. The impact of foreign currency exchange rates decreased net sales by $4 million during the second quarter of 2013 and $3 million during the six months ended June 30, 2013 as compared to 2012.

Cost of goods sold for the second quarter of 2013 and six months ended June 30, 2013 increased 56% and 57%, respectively. The increase principally reflects the inclusion of the acquired business, higher pigment production costs, primarily for raw materials and chemical products, higher per unit costs due to lower capacity utilization during 2013, and an increase in sales volumes. For the three months ended June 30, 2013 and 2012, cost of goods sold includes $(2) million and $21 million, respectively, of net non-cash amortization of inventory step-up and unfavorable ore sales contracts as a result of our purchase price allocation. For the six months ended June 30, 2013 and 2012, cost of goods sold includes $6 million and $21 million, respectively, of net non-cash amortization of inventory step-up and unfavorable ore sales contracts as a result of purchase price allocation.

Our gross margin decreased $75 million during the second quarter of 2013 to 10% of net sales as compared to 29% of net sales in the second quarter of 2012. For the six months ended June 30, 2013, gross margin decreased $200 million to 8% of net sales as compared to 33% of net sales in the same period during 2012. The decrease was principally due to higher feedstock and plant utilization costs and lower selling prices in the pigment business. For the three months ended June 30, 2013 and 2012, net noncash depreciation, depletion and amortization of $31 million and $5 million, respectively, as a result of purchase accounting impacted the gross

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margin by 6% and 1%, respectively. For the six months ended June 30, 2013 and 2012, net noncash depreciation and amortization of $64 million and $5 million, respectively, as a result of purchase accounting impacted the gross margin by 6% and 1%, respectively.

Selling, general and administrative expenses for the three and six months ended June 30, 2013 decreased 60% and 37%, respectively. During the second quarter of 2013, the acquired business contributed approximately $3 million of our total selling, general and administrative costs compared to $1 million during the same period in 2012. The remaining net decrease during the quarter ended June 30, 2013 compared to the three months ended June 30, 2012 is primarily due to one-time costs incurred in connection with the acquisition of the Mineral Sands business of approximately $69 million, comprised mainly of transfer taxes, one-time share-based compensation awards and transaction costs. During the six months ended June 30, 2013, the acquired business contributed approximately $8 million of our total selling, general and administrative costs compared to $1 million during the same period in 2012. The remaining net decrease during 2013 compared to 2012 is primarily due to one-time costs incurred in connection with the the acquisition of Mineral Sands business of approximately $82 million, comprised mostly of transfer taxes and share-based compensation awards.

Interest and debt expense for the second quarter of 2013 and six months ended June 30, 2013 increased over 100%. The increase is primarily attributable to interest expense on the $900 million senior notes due 2020 (the Senior Notes) of $15 million during the second quarter of 2013 and $29 million for the six months ended June 30, 2013, as well as the amortization of debt issuance costs associated with the Senior Notes.

Other income (expense) increased primarily due to the impact of foreign currency exchange rates. During the three and six months ended June 30, 2013, we experienced net foreign currency gains of $25 million and $31 million, respectively, principally due to a strengthening U.S. dollar as compared to the South African Rand and Australian dollar. During the three and six months ended June 30, 2012, we experienced net foreign currency losses of $3 million and $5 million, respectively.

In February 2013, we repaid the outstanding principal balance of $149 million at par, plus interest, related to the $150 million Senior Secured Delayed Draw Term Loan. In accordance with ASC 470, *Debt*, we accounted for such repayment as an extinguishment of debt. As such, for the six months ended June 30, 2013, we recognized a loss on the early extinguishment of debt of $4 million related to the allocated portion of the unamortized original issue discount and debt issuance costs.

The effective tax rates for the three months and the six months ended June 30, 2013, differ from the Australian statutory rate of 30% primarily due to withholding tax accruals, valuation allowances in the United States, and income in foreign jurisdictions taxed at rates different than 30%.

The negative effective tax rates for the three months and the six months ended June 30, 2012, differ from the U.S. statutory rate of 35% primarily as a consequence of the Company re-domiciling in Australia. Because the Australian tax laws provide for a resetting of the tax basis of the business assets to market value, the Company recorded a tax benefit related to this market value basis adjustment. The overall tax benefit from this basis adjustment was partially offset by a valuation allowance established for the portion of the tax benefit which the Company believes will not be realized. Because this basis change did not pertain to an entity acquired in the Transaction, this net tax benefit was recorded through tax expense and did not impact the Company s gain on bargain purchase.

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Operations Review of Segment Revenue and Profit

Net Sales

	Three Months Ended June 30,			Six Months Ended June 30,		
	2013	2012	Variance	2013	2012	Variance
Mineral Sands segment	$ 312	$ 89	$ 223	$ 610	$ 172	$ 438
Pigment segment	304	348	(44)	592	710	(118)
Corporate and other	35	27	8	62	58	4
Eliminations	(126)	(35)	(91)	(269)	(77)	(192)
Net Sales	$ 525	$ 429	$ 96	$ 995	$ 863	$ 132

Mineral Sands segment

Net sales increased $223 million during the second quarter of 2013 as compared to the second quarter of 2012, and $438 million during the six months ended June 30, 2013 as compared to the same period in 2012. The increase is primarily attributable to the acquired business which, on a segment basis, contributed $255 million and $496 million for the three and six months ended June 30, 2013, respectively compared to $35 million and $35 million, respectively, for the three and six months ended June 30, 2012. The remaining increase for the three months ended June 30, 2013 was primarily comprised of an increase in volumes of $51 million offset by a $44 million decrease in selling prices. The remaining decrease for the six months was principally due to lower selling prices of $75 million, offset by a $56 million increase due to sales volumes. Minerals Sands selling prices declined principally due to a depressed zircon market. Minerals sales volumes were higher primarily due to higher zircon volumes and to increased shipments of synthetic rutile to our pigments business, as we achieve full internal sourcing. For the three and six months ended June 30, 2013, the effect of changes in foreign currency negatively impacted mineral sands net sales by $4 million and $4 million, respectively.

Pigment segment

Pigment segment net sales decreased $44 million, or 13% during the second quarter of 2013 as compared to the second quarter of 2012, and $118 million, or 17% during the six months ended June 30, 2013 as compared to the same period in 2012. The decrease is primarily due to a decrease in selling prices of $97 million, offset by higher volumes of $52 million in the second quarter of 2013 compared to the second quarter of 2012, and a decrease in selling prices of $187 million, offset by higher volumes of $68 million in the six months ended June 30, 2013 compared to the same period in 2012. The volume impact reflects increased shipments to the European and Asia-Pacific regions. For the three and six months ended June 30, 2013, the effect of changes in foreign currency positively impacted pigment net sales by less than $1 million and $1 million, respectively.

Corporate and other

Net sales increased $8 million, or 30% during the second quarter of 2013 as compared to the second quarter of 2012, and $4 million, or 7% during the six months ended June 30, 2013 as compared to the same period in 2012. Corporate and other includes our electrolytic manufacturing business. The increase to electrolytic and other chemical products net sales was primarily due to increased volumes of electrolytic manganese dioxide (EMD) and sodium chlorate (principally in the second quarter).

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Income from Operations

	Three Months Ended June 30,			Six Months Ended June 30,		
	2013	2012	Variance	2013	2012	Variance
Mineral Sands segment	$ 68	$ 46	$ 22	$ 164	$ 97	$ 67
Pigment segment	(56)	37	(93)	(124)	146	(270)
Corporate and other	(11)	(76)	65	(35)	(104)	69
Eliminations	8	15	(7)	(15)	(4)	(11)
Income (loss) from operations	9	22	(13)	(10)	135	(145)
Interest and debt expense	(35)	(14)	(21)	(62)	(22)	(40)
Loss on extinguishment of debt				(4)		(4)
Other income (expense)	26	(3)	29	32	(4)	36
Gain on bargain purchase		1,055	(1,055)		1,055	(1,055)
Income (loss) from operations before taxes		1,060	(1,060)	(44)	1,164	(1,208)
Income tax provision	(1)	84	(85)	(2)	66	(68)
Net income (loss)	$ (1)	$ 1,144	$ (1,145)	$ (46)	$ 1,230	$ (1,276)

Mineral Sands segment

During the three and six months ended June 30, 2013, income from operations increased $22 million and $67 million, respectively, compared to the same periods during 2012. For the three and six months ended June 30, 2013, the acquired businesses contributed $50 million and $124 million, respectively, to segment income from operations compared to less than $1 million and $1 million, respectively, for the three and six months ended June 30, 2012. The remaining decrease of $27 million during the second quarter of 2013 is primarily attributable to a $44 million decrease in selling prices and slightly higher unit costs of $5 million, offset by higher volumes of $20 million, while the remaining decrease of $56 million during the six months ended June 30, 2013 is primarily attributable to a $75 million decrease in selling prices and slightly higher unit costs of $4 million, offset by higher volumes of $22 million. Cost of goods sold in the Mineral Sands segment in the three and six months ended June 30, 2013, includes net noncash charges of $(2) million and $6 million, respectively, related to purchase accounting adjustments for inventory step-up and unfavorable contract amortization.

Pigment segment

Income from operations decreased $93 million during the second quarter of 2013 and $270 million during the six months ended June 30, 2013, which was primarily driven by lower selling prices of $97 million, offset by higher volumes of $7 million during the second quarter of 2013. During the six months ended June 30, 2013, lower selling prices of $187 million, and higher costs, principally for feedstock ores and other chemicals, of $68 million, were only partially offset by higher volumes of $12 million.

Consolidated Results of Operations

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 confirmed (the Confirmation Order) 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 were resolved during the period from the Confirmation Date until January 26,

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2011. Subsequently, on February 14, 2011 (the Effective Date), Tronox Incorporated emerged from bankruptcy and continued operations as reorganized Tronox Incorporated.

The consummation of the Plan resulted in a substantial realignment of the interests in Tronox Incorporated between existing prepetition creditors and shareholders. As a result, Tronox Incorporated was required to adopt fresh-start accounting. Having resolved the material contingencies related to implementing the Plan on January 26, 2011 and due to the proximity to the end of month accounting period, which closed on January 31, 2011, Tronox Incorporated applied fresh-start accounting as of January 31, 2011. Tronox Incorporated evaluated the activity between January 26, 2011 and January 31, 2011 and, based upon the immateriality of such activity, concluded that the use of January 31, 2011 to reflect the fresh-start accounting adjustments was appropriate for financial reporting purposes. The use of the January 31, 2011 date is for financial reporting purposes only and does not affect the Effective Date of the Plan. Accordingly, the financial information set forth in this report, unless otherwise expressly set forth or as the context otherwise indicates, reflects the consolidated results of operations and financial condition of Tronox Incorporated and its subsidiaries on a fresh-start basis for the period following January 31, 2011 (Successor), and of Tronox Incorporated and its subsidiaries on a historical basis for the periods through January 31, 2011 (Predecessor). All references to 2011 refer to the combined twelve month period ended December 31, 2011, which includes the Successor period and the Predecessor period, unless otherwise indicated.

Year Ended December 31, 2012 Compared to the Combined Twelve Month Period Ended December 31, 2011

	Successor		Predecessor
	Year Ended December 31, 2012	Eleven Months Ended December 31, 2011	One Month Ended January 31, 2011
Net Sales	$ 1,832	$ 1,543	$ 108
Cost of goods sold	(1,568)	(1,104)	(83)
Gross Margin	264	439	25
Selling, general and administrative expenses	(239)	(152)	(5)
Litigation/arbitration settlement		10	
Provision for environmental remediation and restoration, net of reimbursements		5	
Income from Operations	25	302	20
Interest and debt expense	(65)	(30)	(3)
Other income (expense)	(7)	(10)	2
Gain on bargain purchase	1,055		
Reorganization income			613
Income from Continuing Operations before Income Taxes	1,008	262	632
Income tax benefit (provision)	125	(20)	(1)
Net Income	$ 1,133	$ 242	$ 631

We reported net sales for 2012 of $1,832 million, an increase of 11% or $181 million. During 2012 and 2011, 68% and 86%, respectively, of our net sales were generated from the sale of TiO_2. The increase in net sales for 2012 reflects the impact of the acquired businesses, higher selling prices in all of our businesses partially offset by lower sales volumes. The acquired businesses contributed $524 million to consolidated net sales during 2012. Higher prices resulted from a strong market in early-to-mid 2011 and the carryover of price increases from 2011. As market demand softened in late 2011 and early 2012, we began to experience price erosion which accelerated in the latter half of 2012. During 2012, sales volumes declined in both the mineral sands and pigment businesses due to simultaneous market weakness in China, Europe, and North America. The impact of foreign currency exchange rates decreased net sales by $25 million during 2012 as compared to 2011.

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Cost of goods sold for 2012 was $1,568 million, an increase of 32% or $381 million. The increase reflects the inclusion of the acquired business, higher pigment production costs, primarily for raw materials and chemical products, as well as higher per unit costs due to lower capacity utilization during 2012, partially offset by a decrease in sales volumes. Cost of goods sold for 2012 includes $152 million of non-cash amortization of inventory step-up and unfavorable ore sales contracts as a result of purchase accounting. During 2012, we reduced pigment production volumes in response to decreased sales volumes. Unfavorable exchange rate changes primarily due to movements in the Australian dollar increased cost of sales by $52 million 2012 as compared to 2011.

Our gross margin decreased $200 million during 2012 to 14% of net sales as compared to 28% of net sales in 2011. Noncash amortization of $152 million as a result of purchase accounting impacted the 2012 gross margin by 1%, with the remainder primarily due to higher costs and lower sales volumes, partially offset by higher selling prices.

Selling, general and administrative expenses were $239 million in 2012, an increase of $82 million or 52% during 2012 as compared to 2011. During 2012, the acquired business accounted for approximately $20 million of our total selling, general and administrative costs. The increase during 2012 compared to 2011 is primarily due to:

- Increase of $16 million related to share-based compensation awards vesting to employees upon consummation of the Transaction.
- Increase in severance expense of $1 million related to the change in the Company s CEO, as well as other positions that have been eliminated as a result of the Transaction.
- Stamp duty taxes of $37 million recorded in 2012 based upon the transfer of the mineral sands business to Tronox.
- Increased costs for corporate relocation, including rent, staffing and recruiting costs of $4 million in 2012.
- Increase in depreciation and amortization of $3 million primarily due to the amortization of internal-use software during 2012, as well as additional depreciation on fixed assets acquired in the Transaction.

Interest and debt expense for 2012 was $65 million, an increase of $32 million. The increase is primarily attributable to interest expense on the Senior Notes, the new asset based lending facilities, the refinanced Term Facility, as well as an increase in the amortization of deferred debt issuance costs. Interest expense increased as we financed the acquisition, specifically the merger consideration, and subsequently established the capital structure for the company. Interest expense related to the Senior Notes was $21 million during 2012. Interest expense related to the new Term Facility was $29 million during 2012 versus $30 million in 2011. Amortization of deferred debt issuance costs and discount on debt increased $9 million during 2012 due to refinancing of the Wells Revolver. In connection with obtaining the Term Facility, we incurred debt issuance costs of $17 million, of which $5 million was paid in 2011 and $12 million was paid in 2012. We also incurred $17 million of issuance costs in connection with the Senior Notes.

The acquisition of the mineral sands business resulted in a one-time gain on bargain purchase of $1,055 million, which was based on the estimated fair value of the assets and liabilities assumed.

We recognized reorganization income of $613 million during 2011 relating to a $659 million gain recognized due to implementation of fresh-start accounting and the discharge of debt and satisfaction of claims, partially offset by $46 million of reorganization expenses including legal and professional fees, claims adjustments and other fees related to a $185 million rights offering and debt financing.

The negative effective tax rate for 2012 differs from the Australian statutory tax rate of 30% as a result of the release of a valuation allowance in a foreign jurisdiction and as a consequence of re-domiciling certain subsidiaries in Australia. Because the Australian tax laws provide for a resetting of the tax basis of the business

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assets to market value, we recorded a tax benefit related to this market value basis adjustment. The overall tax benefit from this basis adjustment was partially offset by a valuation allowance established for the portion of the tax benefit which we believe will not be realized. Because this basis change did not pertain to an entity acquired in the Transaction, this net tax benefit was recorded through tax expense and did not impact our gain on bargain purchase.

Additionally, 2012 was impacted by continued valuation allowances in the United States and income in foreign jurisdictions taxed at rates lower than 30%, and the gain on bargain purchase which was recorded net of the financial tax impact and is not subject to income tax in any jurisdiction.

The effective tax rates for the eleven month period ended December 31, 2011 differs from the U.S. statutory rate of 35% primarily due to valuation allowances in the United States and income in foreign jurisdictions taxed at rates lower than 35%. In the one month ended January 31, 2011, the effective tax rate for the period differs from the U.S. statutory rate of 35% primarily due to fresh-start adjustments, which were recorded net of tax. Additionally, the one month period effective tax rate was impacted by valuation allowances in multiple jurisdictions and income in foreign jurisdictions taxed at rates lower than 35%.

Operations Review of Segment Revenue and Profit

Net Sales

	Successor		Predecessor	
	Year Ended December 31, 2012	Eleven Months Ended December 31, 2011	One Month Ended January 31, 2011	YTD Change
Mineral Sands segment	$ 760	$ 160	$ 8	$ 592
Pigment segment	1,246	1,327	89	(170)
Corporate and other	128	133	14	(19)
Eliminations	(302)	(77)	(3)	(222)
Net Sales	$ 1,832	$ 1,543	$ 108	$ 181

Mineral Sands segment

Net sales increased $592 million during 2012 as compared to 2011. The increase is attributable to the acquired business which, on a segment basis, contributed $489 million in revenue for the period since the acquisition. The remaining increase was primarily comprised of a $125 million increase in sales prices, offset by a $22 million decrease in sales volumes. Mineral products sales prices, primarily rutile used in the production of TiO_2, increased as a result of strong global demand during the period when forward pricing was negotiated. Synthetic rutile price per tonne increased over 149% during 2012 as compared to 2011, while the natural rutile price per tonne increased approximately 176% during 2012 as compared to 2011. Mineral products volumes decreased during 2012 due to slowing global demand for TiO_2 in 2012. Rutile volumes sold decreased approximately 45% during 2012, while the zircon volumes sold decreased approximately 30% during 2012.

Pigment segment

Pigment segment net sales decreased 12% during 2012 as compared to 2011. The decrease is primarily due to a 21% reduction in sales volumes amounting to $295 million, partially offset by a 14% increase in selling prices, amounting to $152 million. Unfavorable effects from changes in foreign currency negatively impacted net sales by $25 million while other changes were negative by $2 million.

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Corporate and other

Net sales decreased $20 million, or 14% during 2012 as compared to 2011. Corporate and other includes our electrolytic manufacturing business. Electrolytic and other chemical products net sales were essentially flat from year to year with higher selling prices for sodium chlorate offsetting lower volumes of the same product. The overall decrease from 2011 to 2012 is related to the transfer of the sulfuric acid business to an environmental trust upon emergence from bankruptcy as well as reduced revenues generated from our former relationship in the Tiwest joint venture with Exxaro.

Income from Operations

	Successor		Predecessor	
	Year Ended December 31, 2012	Eleven Months Ended December 31, 2011	One Month Ended January 31, 2011	Change
Mineral Sands segment	$ 156	$ 42	$ 2	$ 112
Pigment segment	57	323	20	(286)
Corporate and other	(139)	(54)	(1)	(84)
Eliminations	(49)	(9)	(1)	(39)
Income from operations	25	302	20	(297)
Interest and debt expense	(65)	(30)	(3)	
Other income (expense)	(7)	(10)	2	
Gain on bargain purchase	1,055			
Reorganization income			613	
Income from operations before taxes	1,008	262	632	
Income tax benefit (provision)	125	(20)	(1)	
Income from continuing operations	$ 1,133	$ 242	$ 631	

Mineral Sands segment

Income from operations increased $112 million or 255% during 2012. The acquired businesses contributed $8 million to segment income from operations during 2012. The remaining increase of $104 million during 2012 is primarily attributable to the $125 million increase in selling prices, as discussed above. Cost of goods sold in the Mineral Sands segment, in 2012, includes $136 million of non-cash inventory step-up amortization due to purchase accounting.

Pigment segment

Income from operations decreased $286 million, or 83% during 2012. This decrease was primarily driven by higher costs, specifically for feedstock ores and other chemicals of $352 million and lower sales volumes of $86 million, partially offset by the higher pricing of $152 million discussed above. Pigment segment cost of goods sold during 2012 includes $16 million of noncash inventory step-up amortization due to purchase accounting.

Corporate and Other

During 2012 income from operations decreased $84 million as compared to 2011. This decrease is primarily attributable to higher selling general and administrative costs of $58 million, a litigation/arbitration settlement of $10 million in 2011 and lower revenues generated from our former relationship in the Tiwest joint venture with Exxaro of $16 million. Selling, general and administrative expenses increased primarily due to share based awards of $17 million, stamp duty transfer taxes of $37 million and costs associated with corporate relocation of $4 million.

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Combined Twelve Month Period Ended December 31, 2011 Compared to the Year Ended December 31, 2010

	Successor	Predecessor	
	Eleven Months Ended December 31, 2011	One Month Ended January 31, 2011	Year Ended December 31, 2010
Net Sales	$ 1,543	$ 108	$ 1,218
Cost of goods sold	(1,104)	(83)	(996)
Gross Margin	439	25	222
Selling, general and administrative expenses	(152)	(5)	(59)
Litigation/arbitration settlement	10		
Provision for environmental remediation and restoration, net of reimbursements	5		47
Income from Operations	302	20	210
Interest and debt expense	(30)	(3)	(50)
Other income (expense)	(10)	2	(8)
Reorganization income (expense)		613	(145)
Income from Continuing Operations before Income Taxes	262	632	7
Income tax provision	(20)	(1)	(2)
Income from Continuing Operations	242	631	5
Income from discontinued operations, net of income tax benefit (provision)			1
Net Income	$ 242	$ 631	$ 6

References to 2011 refer to the combined twelve month period ended December 31, 2011, which include the Successor period and the Predecessor period, unless otherwise indicated. An analysis of net sales for each business unit is included in the Operations Review of Segment Revenue and Profit section below.

We reported net sales of $1,651 million, an increase of $433 million or 36%. During 2011 and 2010, 86% and 83%, respectively of our net sales were generated from the sale of TiO_2. Market conditions in 2011 led to strong global demand for TiO_2 products throughout the first three quarters of 2011. Although demand softened in the fourth quarter, due to customer destocking and slower economic activity globally, our sales price and sales volumes of TiO_2 and mineral products were higher than in 2010.

Cost of goods sold increased 19% during 2011 as compared to 2010. The increase to cost of goods sold resulted from higher sales volumes, increases in production costs for raw materials, chemicals, energy, employee related costs and unfavorable foreign currency effects. Cost of goods sold in 2011 includes $36 million of non-cash fresh-start inventory step-up amortization.

Gross margin increased 109% or $242 million to $439 million in 2011 as compared to 2010. Gross margin percentage of net sales was 28% as compared to 18% in 2010. The improvement was primarily due to the increased selling prices and sales volumes, discussed above, partially offset by higher costs and unfavorable exchange rate changes.

Selling, general and administrative expenses increased $98 million to $157 million in 2011 as compared to 2010. The increase was primarily due to the following:

Amortization of intangible assets subsequent to fresh-start accounting of $22 million;

Employee variable compensation and benefit costs of approximately $50 million, including $14 million related to amortization of restricted shares during 2011 compared to $1 million during 2010;

Costs associated with the acquisition of the mineral sands business, including banker fees, legal and professional fees and the registration rights penalty of approximately $28 million during 2011

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compared to costs incurred for outside services used during the bankruptcy and during the emergence from bankruptcy, including attorneys, contract labor and other of $17 million during 2010;

Audit and professional fees incurred related to fresh-start accounting and the three year audit of our financial statements of approximately $16 million; and

Marketing costs incurred of $15 million during 2011 compared to $11 million during 2010.

On December 21, 2011, we entered into a separation agreement with Dennis Wanlass, our former CEO. Under the terms of the agreement, we recorded a cash severance payment of $3 million and $3 million related to accelerated vesting of restricted shares granted under the management equity incentive plan, which are included in selling, general and administrative expense.

The Board hired Thomas Casey, the Chairman of the Board, as our Chief Executive Officer as we prepared to assimilate our announced acquisition of the mineral sands business. Mr. Casey was paid a $2 million sign-on bonus, which was included in selling, general and administrative expenses.

The litigation/arbitration settlement income of $10 million was due to the settlement with RTI Hamilton, Inc. The settlement agreement reflects the compromise and settlement of disputed claims in complete accord and satisfaction thereof. Of the total payment of $11 million, $1 million constitutes payment for capital costs we incurred in relation to the agreement, plus interest.

Provision for environmental remediation and restoration was income of $5 million during 2011 as compared to income of $47 million in 2010. The 2011 activity is a result of additional reimbursements received under the Predecessor s environmental insurance policy related to its remediation efforts at the Henderson, Nevada site. 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 legacy environmental liabilities, the obligation for the clean-up work had been recorded in prior years, but the insurance coverage was confirmed in 2010 and 2011.

Interest and debt expense decreased $17 million, or 34% during 2011 as compared to 2010. The $33 million during 2011 is comprised of $29 million of interest expense on the Exit Financing Facility and the Wells Revolver, $4 million of other interest expense and $1 million of amortization of deferred debt issuance costs, offset by $1 million of capitalized interest. During the one month ended January 31, 2011, interest expense excludes $3 million, which would have been payable under the terms of the $350 million 9.5% senior unsecured notes, which was not accrued while we were in bankruptcy. The $50 million during 2010 is comprised of $40 million of interest expense on the debtor-in-possession facility, $9 million of amortization of deferred debt issuance costs and $1 million of other costs. During 2010, interest expense excluded $33 million, which would have been payable under the terms of the $350 million 9.5% senior unsecured notes, which was not accrued while we were in bankruptcy.

Other expense of $8 million in 2011 decreased less than $1 million for 2010. The change was primarily due to foreign currency losses of $6 million during 2011 compared to foreign currency losses of $13 million in 2010, offset by a $5 million gain on the liquidation/dissolution of a subsidiary during 2010. The remaining increase is attributable to changes in interest income and other non-operating income.

We recognized reorganization income of $613 million during 2011 related to a $659 million gain recognized due to implementation of fresh-start accounting and the discharge of debt and satisfaction of claims, partially offset by $46 million of reorganization expenses including legal and professional fees, claims adjustments and other fees related to a $185 million rights offering and debt financing. In 2010, we incurred $67 million of reorganization expenses, including legal and professional fees related to finalizing the Plan and disclosure statement, as well as fees related to the debtor-in-possession financing in place during the period, partially offset by gains on rejected contracts and other items related to the ongoing claims reconciliation process.

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The tax provision of $21 million for 2011 represents an effective tax rate of 8% as compared to a $2 million provision in 2010 representing a 30% tax rate for that period. This rate differs from the U.S. statutory rate of 35% primarily due to valuation allowances in the United States and income in foreign jurisdictions taxed at rates lower than 35%, statute lapses in a foreign jurisdiction and fresh-start adjustments.

Operations Review of Segment Revenue and Profits

Net Sales

	Successor		Predecessor	
	Eleven Months Ended December 31, 2011	One Month Ended January 31, 2011	Year Ended December 31, 2010	Change
Mineral Sands segment	$ 160	$ 8	$ 109	$ 59
Pigment segment	1,327	89	1,005	411
Corporate and other	133	14	153	(6)
Eliminations	(77)	(3)	(49)	(31)
Net Sales	$ 1,543	$ 108	$ 1,218	$ 433

Mineral Sands segment

Net sales increased $59 million, or 54%, during 2011. The increase is attributable to increased selling prices of $59 million, primarily on zircon and synthetic rutile. The sales mix in 2011 versus 2010 favored the feedstock ores versus zircon however overall the effect of the sales mix was flat from year to year on a volume basis.

Pigment segment

Pigment segment net sales increased $411 million, or 41% during 2011. This increase was primarily attributable to increased selling prices of $382 million, increased volumes of $11 million and the favorable effects of exchange rate changes on sales of $18 million. During 2011, TiO_2 sales prices increased, primarily as a result of the general global economic recovery and constrained supply of TiO_2. These factors caused a supply and demand situation that enabled Tronox to pass through price increases to its customers. The average price per metric tonne sold during 2011 increased approximately 41% compared to the average price per metric tonne sold during 2010.

Corporate and other

Net sales decreased $6 million, or 4% during 2011 as compared to 2010. Corporate and other includes our electrolytic manufacturing business and, prior to our emergence from bankruptcy, also included our sulfuric acid operation. Electrolytic and other chemical products net sales were flat from year to year as increased selling prices for sodium chlorate offset lower volumes of manganese dioxide. The overall decrease from 2010 to 2011 is primarily related to the transfer of the sulfuric acid business to an environmental trust upon emergence from bankruptcy in 2011 offset by increased revenues generated from our former relationship in the Tiwest joint venture with Exxaro.

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Income from Operations

	Successor	Predecessor		YTD Change
	Eleven Months Ended December 31, 2011	One Month Ended January 31, 2011	Year Ended December 31, 2010	YTD Change
Mineral Sands segment	$ 42	$ 2	$ 7	$ 37
Pigment segment	323	20	163	180
Corporate and Other	(54)	(1)	40	(95)
Eliminations	(9)	(1)		(10)
Income from operations	302	20	210	112
Interest and debt expense	(30)	(3)	(50)	
Other income (expense)	(10)	2	(8)	
Reorganization income		613	(145)	
Income from Continuing Operations before Taxes	262	632	7	
Income tax benefit (provision)	(20)	(1)	(2)	
Income from Continuing Operations	$ 242	$ 631	$ 5	

Mineral Sands segment

Income from operations increased $37 million during 2011 as compared to 2010. The increase in Mineral Sands profitability is primarily due to increased selling prices of $59 million, primarily on zircon and synthetic rutile partially offset by unfavorable effects of exchange rate changes of $13 million related to costs incurred in Australian dollars.

Pigment segment

Income from operations increased $180 million, or over 100% during 2011 as compared to 2010. This increase was primarily attributable to higher selling prices of $382 million, partially offset by higher production costs of $160 million and selling, general and administrative and other expenses of $33 million. Higher production costs were due to a 19% increase year-over-year for raw materials and process chemicals. We also experienced increased energy costs and increased employee-related costs due to the implementation of variable compensation and the post emergence accounting impact on pension and postretirement medical cost. Foreign currency effects of $9 million were net unfavorable primarily due to movements in the Australian dollar versus the U.S. dollar.

Corporate and Other

Income from operations decreased $95 million during 2011 as compared to 2010. The Electrolytic business had decreased income from operations of $5 million primarily due to higher costs associated with manganese dioxide and selling general and administrative expenses partially offset by higher pricing for the sodium chlorate products. The remaining decrease is primarily attributable to decreased reimbursements of environmental expenditures related to the Henderson facility of $43 million, increased selling, general and administrative expenses of $67 million partially offset by a litigation/settlement award recognized in 2011 of $10 million and revenues generated from our former relationship in the Tiwest joint venture with Exxaro Resources Limited of $10 million.

In selling, general and administrative expenses we incurred:

costs associated with the bankruptcy and the acquisition of the mineral sands business, including banker fees, legal and professional fees and the registration rights penalty, which accounted for

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approximately $28 million. Additionally, during 2011, we incurred audit and professional fees related to the three year audit of our financial statements of approximately $16 million;

incremental employee variable compensation and benefit costs associated with the implementation of incentive cash and share-based compensation programs, as well as costs associated with our post-emergence accounting for pensions and postretirement healthcare benefit costs; and

during 2011, we recognized $3 million of amortization of intangible assets recorded as part of fresh-start accounting.

Non-U.S. GAAP Financial Measures

EBITDA and Adjusted EBITDA, which are used by management to measure performance, are non-U.S. GAAP financial measures. Management believes that EBITDA is useful to investors, as it is commonly used in the industry as a means of evaluating operating performance. EBITDA and Adjusted EBITDA are not recognized terms under U.S. GAAP and do not purport to be an alternative measure of our financial performance as determined in accordance with U.S. GAAP. Because other companies may calculate EBITDA and Adjusted EBITDA differently than we do, EBITDA and Adjusted EBITDA, as presented herein, may not be comparable to similarly titled measures reported by other companies.

Management believes these non-U.S. GAAP financial measures:

Reflect our ongoing business in a manner that allows for meaningful period-to-period comparison and analysis of trends in our business, as they exclude income and expense that are not reflective of ongoing operating results;

Provide useful information in understanding and evaluating our operating results and comparing financial results across periods;

Provide a normalized view of our operating performance by excluding items that are either non-cash or non-recurring in nature;

Enable investors to assess our compliance with financial covenants under our debt instruments; and

Adjusted EBITDA is one of the primary measures management uses for planning and budgeting processes and to monitor and evaluate financial and operating results.

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The following table reconciles net income to EBITDA and Adjusted EBITDA for the periods presented:

	Successor						Predecessor	
	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012	Year Ended December 31, 2012	Eleven Months Ended December 31, 2011	One Month Ended January 31, 2011	Year Ended December 31, 2010
Net income (loss)	$ (1)	$ 1,144	$ (46)	$ 1,230	$ 1,133	$ 242	$ 631	$ 6
Interest and debt expense, net of interest income	34	14	60	22	65	30	3	50
Income tax provision (benefit)	1	(84)	2	(66)	(125)	20	1	2
Depreciation and amortization expense	73	31	146	53	211	79	4	50
EBITDA	107	1,105	162	1,239	1,284	371	639	108
Loss on extinguishment of debt			4					
Share-based compensation	6	20	11	27	31	14		1
Amortization of inventory step-up and unfavorable ore sales contracts from purchase accounting	(2)	21	6	21	152			
Gain on bargain purchase		(1,055)		(1,055)	(1,055)			
Transfer tax incurred due to acquisition					37			
Gain on fresh-start accounting							(659)	
Reorganization expense associated with bankruptcy(a)							46	145
Amortization of step-up from fresh-start accounting						36		
Provision for environmental remediation and restoration, net of reimbursements						(5)		(47)
Litigation/arbitration settlement						(10)		
Foreign currency remeasurement	(13)	2	(19)	1	6	7	(1)	12
Transaction costs and financial statement restatement costs(b)		50		59	32	39		
Other items(c)	3	4	10	6	16	16	(1)	(16)
Adjusted EBITDA	$ 101	$ 147	$ 174	$ 298	$ 503	$ 468	$ 24	$ 203

(a) We 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) During 2012, transaction costs consist of costs associated with the acquisition of the mineral sands business, including banker fees, legal and professional fees, as well as costs associated with the preparation and amending of the registration statement on Form S-4 filed with the Securities and Exchange Commission in connection with the Transaction and costs associated with the integration of the mineral sands business that occurred after the closing of the Transaction. During the eleven months ended December 31, 2011, transaction costs and financial statement restatement costs include expenses related to the Transaction, fresh-start accounting fees, costs associated with restating Tronox Incorporated s environmental reserves and the auditing of the historical financial statements. Costs associated with the Transaction include legal and professional fees related to due diligence and transaction advice as well as investment banking fees.

(c) Includes noncash pension and postretirement costs, accretion expense, fixed asset write-downs and abandonment expense, gains and losses on the sale of assets, noncash gains on liquidation of a subsidiary, income (loss) from discontinued operations severance expense, and other noncash or non-recurring income or expenses.

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Financial Condition and Liquidity

The following table provides information for the analysis of our historical financial condition and liquidity:

	June 30, 2013	December 31, 2012
Cash and cash equivalents	$ 1,389	$ 716
Working capital(1)	$ 2,318	$ 1,706
Net debt(2)	$ 1,019	$ 929
Total assets	$ 5,847	$ 5,511
Total long-term debt	$ 2,408	$ 1,615

(1) Represents excess of current assets over current liabilities.
(2) Represents excess of debt over cash and cash equivalents.

As of June 30, 2013, our total liquidity was $1,756 million, which was comprised of $275 million available under the $300 million UBS Revolver (as defined below), $92 million available under the ABSA Revolver (as defined below) and $1,389 million in cash and cash equivalents. As of June 30, 2013, we had a $25 million of letter of credit issued against the UBS Revolver. In 2013, cash and cash equivalents increased $673 million, reflecting the refinancing of the $550 million Senior Secured Term Loan (the Senior Secured Term Loan) with a $1.5 billion Term Loan partially offset by cash used to repay the $150 million Senior Secured Delayed Draw Term Loan and the fees associated with the refinancing, as well as cash used in operations.

At June 30, 2013, we held $1,389 million in cash and cash equivalents in the respective jurisdictions: $747 million in Europe, $491 million in Australia, $55 million in the United States, and $96 million in South Africa. Our credit facilities limit transfers of funds from subsidiaries in the United States to certain foreign subsidiaries. Foreign subsidiaries do not have limits on transferring funds to the United States or between themselves. We have in place intercompany financing agreements that enable the movement of cash to the United States, if needed.

The use of our cash will include servicing our interest and debt repayment obligations, making pension contributions and funding certain capital expenditures for innovative initiatives, productivity enhancements and maintenance and safety requirements.

Capital Resources

Short-Term Debt

We have a $300 million global senior secured asset-based syndicated revolving credit agreement with UBS AG (the UBS Revolver) and a R900 million (approximately $92 million as of June 30, 2013) revolving credit facility with ABSA Bank Limited acting through its ABSA Capital Division (the ABSA Revolver). At June 30, 2013, we had not drawn on either revolver. At June 30, 2013, we had outstanding letters of credit, bank guarantees and performance bonds of approximately $45 million, of which $25 million in letters of credit were issued under the UBS Revolver and $17 million were bank guarantees issued by ABSA.

See Note 11 of Notes to unaudited Condensed Consolidated Financial Statements for additional information related to our short-term and long-term debt.

Debt Covenants

At June 30, 2013, we were in compliance with our debt covenants. See Note 11 of Notes to unaudited Condensed Consolidated Financial Statements for additional information related to our debt covenants.

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Cash Flows

The following table presents cash flow for the periods indicated:

	Six Months Ended June 30,	
	June 30, 2013	**June 30, 2012**
Cash provided by (used in) operating activities	$ 79	$ (47)
Cash provided by (used in) investing activities	(79)	66
Cash provided by financing activities	681	8
Effects of exchange rate changes on cash and cash equivalents	(8)	5
Net increase in cash and cash equivalents	$ 673	$ 32

Cash Flows from Operating Activities Cash flows from operating activities for 2013 were a source of funds of $79 million compared to a use of funds of $47 million in 2012. The use of funds during 2013 was primarily attributable to cash used in operations, as well as increased accounts receivable, which was offset by a decrease in inventories.

Cash Flows from Investing Activities Net cash provided by investing activities during 2013 reflects $79 million of capital expenditures. Capital expenditures for 2013 are expected to be in the range of $175 million to $235 million.

Cash Flows from Financing Activities Net cash provided by financing activities during 2013 of $681 million was comprised of the following:

Cash inflows:

Refinancing of the Senior Secured Term Loan with the Term Loan resulting in a cash inflow of $945 million.

Cash outflows:

Repayment of the Senior Secured Delayed Draw Term Loan of $149 million;

Payment of debt issuance costs associated with the refinancing of the Senior Secured Term Loan with the Term Loan of $28 million,

Repayment of the ABSA Revolver of $29 million;

Repayment of other debt of $2 million; and

Dividends paid of $57 million.

The following table presents cash flow for the periods indicated:

	Successor		Predecessor
	Year Ended	**Eleven Months Ended**	**One Month**

	December 31, 2012	December 31, 2011	Ended January 31, 2011
Net cash provided by (used in) operating activities	$ 118	$ 263	$ (283)
Net cash used in investing activities	(52)	(132)	(6)
Net cash provided by (used in) financing activities	490	(35)	208
Effect of exchange rate changes on cash	6	(3)	
Net increase (decrease) in cash and cash equivalents	$ 562	$ 93	$ (81)

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Cash Flows from Operating Activities Cash flows from operating activities for 2012 were a source of funds of $118 million compared to a use of funds of $20 million for the combined twelve month period ended December 31, 2011. The source of funds during 2012 was primarily attributable to positive operating results and the collection of accounts receivable, partially offset by increased inventories. Inventories increased due to a slowdown in demand and higher input prices. The source of funds in the eleven month period ended December 31, 2011 reflects the strong operating performance during 2011 as pricing increased throughout the year, while the use of funds during the one month ended January, 31, 2011, reflects our emergence from bankruptcy, including the funding of the environmental and tort trusts, the payment of claims and professional fees in cash, and clearance of our liabilities subject to compromise.

Cash Flows from Investing Activities Net cash provided by investing activities during 2012 primarily reflects $115 million of cash received in the Transaction, offset by $166 million of capital expenditures. Capital expenditures for 2013 are expected to be in the range of $220 million to $280 million.

Cash Flows from Financing Activities Net cash provided by financing activities was $490 million compared $173 million in the twelve months ended December 31, 2011.

Cash inflows were comprised of the following:

Issuance of $900 million aggregate principal bonds;

Refinancing of the Exit Facility with a $700 million Term Facility, less a $7 million discount, resulting in a cash inflow of $693 million; and

Draw down of $30 million on the Wells Revolver, $30 million on the UBS Revolver and $54 million on the ABSA Revolver.

Cash outflows were primarily comprised of the following:

Repurchased 12.6 million Class A Shares, affected for the 5-for-1 share split, at an average price of $25.84 per share, inclusive of commissions, for a total cost of $326 million;

Repayment of the Exit Financing Facility of $421 million;

Repayment of $30 million on the Wells Revolver, $30 million on the UBS Revolver and $24 million on the ABSA Revolver;

Repayment of other debt of $80 million;

Dividends paid of $61 million;

Merger consideration paid in connection with the Transaction of $193 million, whereby Tronox Incorporated shareholders received one Class A Share and $12.50 in cash for each share of Tronox Incorporated;

Share purchases for the Employee Participation Plan of $15 million; and

Payment of debt issuance costs of $38 million.

Rights Offering

On February 14, 2011, Tronox Incorporated received $185 million of new equity investment in a 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 shares issued on the Effective Date, based on a 17.6% discount to Tronox Incorporated s total enterprise value of $1,063 million as presented in the Plan. The backstop parties, a group of holders of Tronox Incorporated s 9.5% senior unsecured notes, committed to purchase any of the new common shares that were not subscribed to in the Rights Offering, thereby assuring that we received the full $185 million. In return for this commitment, the backstop parties received consideration equal to 8% of the $185 million equity commitment (payable as an additional 3.6% of the new common shares issued on the Effective Date).

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Contractual Obligations

The following table sets forth information relating to our contractual obligations as of June 30, 2013:

	Contractual Obligation Payments Due by Year				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term debt and lease financing (including interest)(1)	$ 3,304	$ 146	$ 289	$ 281	$ 2,588
Purchase obligations(2)	347	113	94	44	96
Operating leases	241	27	51	41	122
Total	$ 3,892	$ 286	$ 434	$ 366	$ 2,806

(1) During 2013, we repaid the Senior Secured Delayed Draw and modified the Senior Secured Term Loan with a $1.5 billion Term Loan. We calculated the Term Loan interest at a base rate of 1% plus a margin of 3.5%. See Note 11 of Notes to unaudited Condensed Consolidated Financial Statements.

(2) Includes obligations to purchase requirements of process chemicals, supplies, utilities and services. During 2013, the Company terminated ore contracts with two suppliers.

Recent Accounting Pronouncements

See Note 3 of Notes to unaudited Condensed Consolidated Financial Statements for recently issued accounting pronouncements at June 30, 2013.

See Note 4 of Notes to Consolidated Financial Statements for recently issued accounting pronouncements at December 31, 2012.

Critical Accounting Policies

The preparation of financial statements in conformity with U.S. 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 our accounting policies are considered critical as they are both important to reflect our 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 management.

Long-Lived Assets

Key estimates related to long-lived assets (property, plant and equipment, mineral leaseholds and intangible assets) include useful lives, recoverability of carrying values and the 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 forty years, and depreciation is recognized on a straight-line basis. Useful lives are estimated based upon our 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. Mineral leaseholds are depreciated over their useful lives as determined under the units of production method. 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.

We evaluate the recoverability of the carrying value of long-lived assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Under such circumstances, we assess

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whether the projected undiscounted cash flows of our long-lived assets are sufficient to recover the existing unamortized cost of our long-lived assets. If the undiscounted projected cash flows are not sufficient, we calculate the impairment amount by discounting the projected cash flows using our weighted-average cost of capital. The amount of the impairment is written off against earnings in the period in which the impairment is determined.

Asset Retirement Obligations

To the extent a legal obligation exists, an asset retirement obligation (ARO) is recorded at its estimated fair value and accretion expense is recognized over time as the discounted liability is accreted to its expected settlement value. Fair value is measured using expected future cash outflows discounted at our credit-adjusted risk-free interest rate. No market-risk premium has been included in our calculation of ARO balances since we can make no reliable estimate. Our consolidated financial statements classify accretion expense related to asset retirement obligations as a production cost, which is included in Cost of goods sold on the Consolidated Statements of Operations.

We used the following assumptions in determining asset retirement obligations associated with mine closure and rehabilitation costs:

- inflation 2.5%-5% per year;
- credit adjusted risk-free interest rate of 4.52%-7%; and
- life of mine over 14-38 years at December 31, 2012.

Income Taxes

We have operations in several countries around the world and are 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 we believe our 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. We periodically assess the likelihood that we will be able to recover our deferred tax assets, and reflect any changes in our estimates in the valuation allowance, with a corresponding adjustment to earnings or other comprehensive income (loss) as appropriate. ASC 740 requires that all available positive and negative evidence be weighted to determine whether a valuation allowance should be recorded.

The amount of income taxes we pay are subject to ongoing audits by federal, state and foreign tax authorities, which may result in proposed assessments. Our estimate for the potential outcome for any uncertain tax issue is highly judgmental. We assess our income tax positions and record tax benefits for all years subject to examination based upon our 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, we record the amount that has a greater than 50% 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 we do not believe that it is more likely than not that a tax benefit will be sustained, no tax benefit is recognized.

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Pension and Postretirement Benefits

We provide pension and postretirement benefits for qualifying employees worldwide. 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 our retirement and postretirement plans, with a brief description of the methodology used by management to develop the significant assumptions included below:

Discount Rate. The discount rate selected for all U.S. plans was 4.5% as of both December 31, 2012 and 2011. The rate was selected based on the results of a cash flow matching analysis, which projected the expected cash flows of the plans using a yield curves model developed from a universe of Aa-graded U.S. currency corporate bonds (obtained from Bloomberg) with at least $50 million outstanding. Bonds with features that imply unreliable pricing, a less than certain cash flow, or other indicators of optionality are filtered out of the universe. The remaining universe is categorized into maturity groups, and within each of the maturity groups yields are ranked into percentiles.

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, 2012 and 2011 was 5.75% and 6.44%, respectively. 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. Our estimated rate of compensation increase was 3.5% at both December 31, 2012 and 2011 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. At December 31, 2012, the assumed health care cost trend rates used to measure the expected cost of benefits covered by the postretirement healthcare plan was 9% in 2013, gradually declining to 5% in 2018 and thereafter. A 1% increase in the assumed health care cost trend rate for each future year would increase the accumulated postretirement benefit obligation at December 31, 2012 by $1.3 million, while the aggregate of the service and interest cost components of the 2012 net periodic postretirement cost would increase by less than $1 million. A 1% decrease in the trend rate for each future year would reduce the accumulated benefit obligation at December 31, 2012 by $1.1 million and decrease the aggregate of the service and interest cost components of the net periodic postretirement cost for 2012 by less than $1 million.

Foreign Benefit Plans

We currently provide defined benefit retirement plans (funded) for qualifying employees in the Netherlands. The various assumptions used 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 our foreign retirement plans:

Discount Rate. The discount rate selected for the Netherlands plan was 5.25% for both December 31, 2012 and 2011, which is based on long-term Euro corporate bond index rates that correlate with anticipated cash flows associated with future benefit payments.

Expected Long-term Rate of Return. The expected long-term rate of return assumption for the Netherlands plan of 5.25% for both December 31, 2012 and 2011 was 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.

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Rate of Compensation Increases. We determine our rate of compensation assumptions based on our long-term plans for compensation increases specific to employee groups covered. At both December 31, 2012 and 2011, the rate of compensation increases for the Netherlands plan was 3.5%.

Environmental Matters

We are 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, we are subject to frequent environmental inspections and monitoring and occasional investigations by governmental enforcement authorities. Under these laws, we are or may be required to obtain or maintain permits or licenses in connection with our operations. In addition, under these laws, we are 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 our facilities. We 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 our business. We are in compliance with applicable environmental rules and regulations. Currently, we do not have any outstanding notices of violations or orders from regulatory agencies.

At many of our operations, we 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.

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.

Quantitative and Qualitative Disclosures About Market Risk

We are exposed to various market, credit, operational and liquidity risks in the normal course of business, which are discussed below. We manage these risks through normal operating and financing activities and, when appropriate, through the use of derivative instruments. We do not invest in derivative instruments for speculative purposes, but historically have 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 our products and raw materials are commodities that reprice as market supply and demand fundamentals change. Accordingly, product margins and the level of our profitability tend to vary with changes in the business cycle and are expected to do so in the near term as ore prices are expected to fluctuate over the next few years. The Company tries to protect against such instability through various business strategies. These include provisions in sales contracts allowing us to pass on higher raw material costs through timely price increases and formula price contracts to transfer or share commodity price risk.

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Credit Risk

A significant portion of our liquidity is concentrated in trade accounts receivable that arise from sales of TiO_2 and titanium feedstock to customers in the TiO_2 industry. The industry concentration has the potential to impact the Company s overall exposure to credit risk, either positively or negatively, in that its customers may be similarly affected by changes in economic, industry or other conditions. The Company performs ongoing credit evaluations of its customers, and uses credit risk insurance policies from time to time as deemed appropriate to mitigate credit risk but generally does not require collateral. The Company maintains allowances for potential credit losses based on historical experience. For the period ended June 30, 2013, the Company s ten largest TiO_2 customers represented approximately 45% of its total TiO_2 net sales; however, no single customer accounted for more than 10% of total net sales.

Interest Rate Risk

Our exposure to interest rate risk is minimized by the fact that our $1.5 billion of floating rate debt includes a Libor floor of 1%. As such, Libor would need to increase from the rate in effect at June 30, 2013 to greater than 1% before our borrowing rate would increase. Using a sensitivity analysis as of June 30, 2013, a hypothetical 1% increase in interest rates would result in an increase to pre-tax income of approximately $10 million on an annualized basis. This is due to the fact that earnings on our floating rate financial assets of $1.4 billion at June 30, 2013 would increase by the full 1% while the interest expense on our floating rate debt would increase by less than the full 1%.

Foreign Exchange Risk

The Company 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 Australia, South Africa and the Netherlands. Costs in Australia and South Africa are incurred, primarily, in local currencies other than the U.S. dollar. In Australia and South Africa, the majority of our revenues are in U.S. dollars. In Europe, however, a majority of our revenues and costs are in the local currency creating a partial natural hedge. This leaves the Company exposed to movements in the Australian dollar and South African Rand versus the U.S. dollar. In order to manage this risk, we have from time to time entered into forward contracts to buy and sell foreign currencies as economic hedges for these foreign currency transactions. As of June 30, 2013, we did not have any forward contracts in place.

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UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

Tronox Limited s unaudited pro forma condensed combined statement of operations for the year ended December 31, 2012, is presented as if the Transaction had been completed on January 1, 2012. The unaudited pro forma condensed combined statement of operations presented below is derived from the historical Consolidated Financial Statements of Tronox Incorporated and historical combined financial information of Exxaro Mineral Sands prior to June 15, 2012, and, the Consolidated Financial Statements of Tronox Limited from June 15, 2012 through December 31, 2012. The Consolidated Financial Statements of Tronox Incorporated and Tronox Limited are presented in U.S. dollars and have been prepared in accordance with GAAP. The historical Combined Financial Statements of Exxaro Mineral Sands are presented in South African Rand and have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board (IFRS). Based on SEC regulations, a pro forma balance sheet should be based on the latest balance sheet included in the filing unless the acquisition is already reflected in the latest historical balance sheet. Because the acquisition is already reflected in the audited balance sheet as of December 31, 2012, no pro forma balance sheet is included as of June 30, 2012.

As described in the accompanying notes, the unaudited pro forma condensed combined statement of operations has been prepared using the acquisition method of accounting under GAAP and the regulations of the SEC. GAAP requires that one of the companies in the Transaction be designated as the accounting acquirer for the purposes of applying the acquisition method of accounting under ASC 805, Business Combinations. Tronox Incorporated is the accounting acquirer.

The historical financial statements have been adjusted in the unaudited pro forma condensed combined statement of operations to give effect to pro forma events that are (i) directly attributable to the Transaction; (ii) factually supportable; and (iii) expected to have a continuing impact on the combined results. The unaudited pro forma condensed combined statements of operations exclude non-recurring items, including, but not limited to the bargain purchase gain realized on the Transaction and Transaction-related legal and advisory fees. Additionally, certain pro forma adjustments have been made to the historical combined statements of operations of Exxaro Mineral Sands in order to (i) convert it to GAAP; (ii) conform the accounting and presentation policies to those applied by Tronox Incorporated; and (iii) present it in U.S. dollars. All material transactions between Tronox Incorporated and Exxaro Mineral Sands have been eliminated.

The unaudited pro forma condensed combined statement of operations does not include any realization of cost savings from operating efficiencies, revenue synergies or restructuring costs expected to result from the Transaction and should be read in conjunction with the historical Consolidated Financial Statements of Tronox Incorporated and the separate historical Combined Financial Statements of Exxaro Mineral Sands that are included elsewhere within this prospectus.

The unaudited pro forma condensed combined statement of operations is provided for illustrative purposes only and does not purport to represent what the actual combined results of operations of Tronox Limited would have been had the Transaction occurred on January 1, 2012 nor is it necessarily indicative of future combined results of operations.

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UNAUDITED PRO FORMA CONDENSED COMBINED

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2012

	Tronox Limited Successor Year Ended December 31, 2012	Exxaro Mineral Sands (See footnote 3)	Pro Forma Adjustments	Note (See footnote 4)	Tronox Limited Pro Forma Combined
	(Millions of dollars, except per share data)				
Net Sales	$ 1,832	$ 455	$ (167)	(a)	$ 2,120
Cost of goods sold	(1,568)	(199)	127	(b)	(1,640)
Gross Margin	264	256	(40)		480
Selling, general and administrative expenses	(239)	(15)	70	(g)	(184)
Litigation/arbitration settlement					
Provision for environmental remediation and restoration, net of reimbursements					
Income (Loss) from Operations	25	241	30		296
Interest and debt expense	(65)	(13)	(32)	(c)	(110)
Gain on bargain purchase	1,055		(1,055)	(h)	
Other income (expense)	(7)	(32)			(39)
Reorganization income (expense)					
Income (Loss) from Continuing Operations before Taxes	1,008	196	(1,057)		147
Income tax benefit (provision)	125	(60)	(11)	(e)	54
Income (Loss) from Continuing Operations	1,133	136	(1,068)		201
Income (Loss) from Continuing Operations attributable to Noncontrolling interest	(1)	35	(4)	(f)	30
Income (Loss) from Continuing Operations attributable to Tronox Limited	$ 1,134	$ 101	$ (1,064)		$ 171
Income per Share, Basic and Diluted (see footnote 5):					
Basic	$ 11.37				$ 1.41
Diluted	$ 11.10				$ 1.38
Weighted Average Shares Outstanding in thousands (see footnote 5):					
Basic	98,985				121,623
Diluted	101,406				124,052

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1. Description of Transaction

On September 25, 2011, Tronox Incorporated and Exxaro entered into the Transaction Agreement under which they agreed to combine Exxaro Mineral Sands with the businesses of Tronox Incorporated, under Tronox Limited, a new Australian holding company. In connection with the Transaction each share of Tronox Incorporated common stock was converted into one Class A Share and an amount in cash equal to $12.50 without interest.

Pursuant to the Transaction Agreement, in consideration for the sale of mineral sands business, Exxaro received 9,950,856 Class B Shares. The consideration for mineral sands business was subject to adjustments for net working capital, net debt, environmental provisions and capital expenditures for certain specified projects, which adjustments were made solely in cash, and did not affect the number of Class B Shares to be issued to Exxaro.

At completion of the Transaction, former Tronox Incorporated stockholders owned all of the Class A Shares, representing approximately 60.8% of the voting securities of Tronox Limited, and Exxaro owned all of the Class B Shares, representing approximately 39.2% of the voting securities of Tronox Limited. Exxaro retained a 26.0% ownership interest in each of Exxaro Sands and Exxaro TSA Sands in order to comply with the Black Economic Empowerment legislation of South Africa. The ownership interest in the South African operations may be exchanged for Class B Shares, under certain circumstances which could bring its beneficial ownership to approximately 41.7% of our voting securities (based on the total number of issued voting shares outstanding at the completion of the Transaction).

2. Basis of Presentation

The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2012, is presented as if the Transaction had been completed on January 1, 2012. The unaudited pro forma condensed combined statement of operations is derived from the historical Consolidated Financial Statements of Tronox Incorporated and the historical Combined Financial Statements of Exxaro Mineral Sands. The Consolidated Financial Statements of Tronox Incorporated and Tronox Limited are presented in U.S. dollars and have been prepared in accordance with GAAP. The historical Combined Financial Statements of Exxaro Mineral Sands are presented in South African Rand and have been prepared in accordance with IFRS.

The unaudited pro forma condensed combined statement of operations has been prepared using the acquisition method of accounting under GAAP and the regulations of the SEC. GAAP requires that one of the companies in the Transaction be designated as the accounting acquirer. Tronox Incorporated is the accounting acquirer.

The historical financial statements have been adjusted in the unaudited pro forma condensed combined statement of operations to give effect to pro forma events that are (i) directly attributable to the Transaction; (ii) factually supportable; and (iii) expected to have a continuing impact on the combined results. The unaudited pro forma condensed combined statement of operations exclude non-recurring items, which are directly related to the Transaction. Additionally, certain pro forma adjustments have been made to the historical Combined Financial Statements of Exxaro Mineral Sands in order to (i) convert it to GAAP; (ii) conform the accounting policies to those applied by Tronox Incorporated; and (iii) present it in U.S. dollars. All material transactions between Tronox Incorporated and Exxaro Mineral Sands have been eliminated.

The unaudited pro forma condensed combined statement of operations does not include any realization of cost savings from operating efficiencies, revenue synergies or restructuring costs expected to result from the Transaction and should be read in conjunction with the historical Consolidated Financial Statements of Tronox Incorporated and the historical Combined Financial Statements of Exxaro Mineral Sands that are included elsewhere within this prospectus.

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3. Presentation of Exxaro Mineral Sands Combined Statements of Operations

The Combined Financial Statements of Exxaro Mineral Sands are presented in South African Rand and have been prepared in accordance with IFRS. Accordingly, adjustments have been made to the combined statement of operations of Exxaro Mineral Sands in order to (i) convert it to GAAP; (ii) conform the accounting and presentation policies to those applied by Tronox Incorporated; and (iii) present it in U.S. dollars.

The table provided below present the adjustments made to present Exxaro Mineral Sands s combined statement of operations on a GAAP basis and to conform their presentation to conform to Tronox Incorporated s accounting policies. The combined statement of operations of Exxaro Mineral Sands also has translated from South African Rand to U.S. dollars at an average exchange rate of 7.88 Rand to the U.S. dollar for the period from January 1, 2012 to June 14, 2012.

STATEMENT OF OPERATIONS FOR THE PERIOD FROM JANUARY 1, 2012 TO JUNE 14, 2012

	Exxaro Mineral Sands				
	Combined IFRS R	Conforming Adjustments R	Note	Combined GAAP R	Combined GAAP $
			(Millions)		
Net Sales	3,595	(7)	(a)	3,588	455
Cost of goods sold	(686)	(983)	(b)	(1,572)	(199)
		126	(c)		
		(6)	(d)		
		(23)	(e)		
Gross Margin	2,909	(893)		2,016	256
Selling, general and administrative expenses	(1,100)	984	(b)	(116)	(15)
Reversal of impairment	103	(103)	(e)		
Provision for environmental remediation and restoration, net of reimbursements	(3)			(3)	
Income from Operations	1,909	(12)		1,897	241
Interest and debt expense	(104)	6	(d)	(98)	(13)
Other income (expense)	(260)	7	(a)	(253)	(32)
Income from Continuing Operations before Income Taxes	1,545	1		1,546	196
Income tax provision	(487)	(21)	(c)	(474)	(60)
		34	(e)		
Income from Continuing Operations	1,058	14		1,072	136

4. Unaudited Pro Forma Condensed Combined Statement of Operations Pro Forma Adjustments

(a) To record the elimination of intercompany sales between Tronox Incorporated and Exxaro Mineral Sands.

(b) To record the incremental depreciation expense as a result of allocating a portion of the preliminary purchase price to the property, plant and equipment of Exxaro Mineral Sands, based on straight-line depreciation over expected useful lives ranging from 1-25 years.

(c) For the year ended December 31, 2012, this adjustment is to (i) record the effect on interest expense of additional borrowings of $150.0 million on the new $700 million lending facility as well as the elimination of interest expense related to Exxaro Mineral Sands borrowings that are not being assumed. A one-eighth percentage change to the interest rate on the $150.0 million new lending facility would increase or decrease annual interest expense by $0.2 million. A one-eighth percentage change to the interest rate on the $700.0

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million new lending facility would increase or decrease annual interest expense by $0.9 million (ii) the effect on interest expense of the additional borrowing of this $900 million Senior Note offering. A one-eight percentage change to the interest rate on this Senior Note offering would increase or decrease annual interest expense by $1.1 million.

(d) To record the elimination of reorganization income arising from Tronox Incorporated s emergence from bankruptcy, which does not have a continuing impact and therefore, is not being reflected in the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2011.

(e) To record the tax effects associated with the pro forma adjustments, based on the statutory tax rates applicable for the respective jurisdictions which range from 20.0% to 35.0%.

(f) To record the income from continuing operations attributable to the 26.0% noncontrolling interest that Exxaro retained in the South African operations of Exxaro Mineral Sands upon completion of the Transaction.

(g) To record the elimination of Transaction related advisory and legal expenses incurred, which do not have a continuing impact and therefore, are not being reflected in the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2012.

(h) To record the elimination of the gain on bargain purchase arising from the Transaction, which does not have a continuing impact and therefore, is not being reflected in the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2012.

5. Pro Forma Earnings Per Share

In conjunction with the Transaction, the existing Tronox Incorporated shares were cancelled. Accordingly, the pro forma weighted average number of shares outstanding has been calculated based on the weighted-average number of ordinary shares outstanding during the period.

Pro Forma Combined Basic Weighted Average Shares:	
Weighted-average ordinary shares (in thousands)	121,623
Add: Effect of Dilutive Securities:	
Restricted stock	140
Warrants	2,289
Pro Forma Combined Diluted Weighted Average Shares	124,052

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THE BUSINESS

For the purposes of this discussion, references to we, us, and our refer to Tronox Limited 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.

Executive Overview

Tronox Limited is a global leader in the production and marketing of titanium-bearing mineral sands and TiO_2. Our world-class, high performance TiO_2 products are critical components of everyday applications such as paint and other coatings, plastics, paper and other applications. Our mineral sands business consists 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. We have global operations in North America, Europe, South Africa and Australia.

Tronox Limited was formed on September 21, 2011 for the purpose of the Transaction (see below). Prior to the completion of the Transaction, the Company was wholly-owned by Tronox Incorporated, and had no operating assets or operations. Tronox Incorporated was formed on May 17, 2005, in preparation for the contribution and transfer by Kerr-McGee Corporation of certain entities, including those comprising substantially all of its chemical business into a separate operating company.

Acquisition of Mineral Sands Operations

Consistent with our strategy to become a fully integrated global producer of mineral sands and TiO_2 with production facilities and sales and marketing presence strategically positioned throughout the world, on the Transaction Date, we combined the existing business of Tronox Incorporated with Exxaro s mineral sands business pursuant to the Transaction.

The Transaction was completed in two principal steps. First, Tronox Incorporated became a subsidiary of Tronox Limited, with Tronox Incorporated shareholders receiving one Class A Share and Merger Consideration for each Tronox Incorporated common share. Second, Tronox Limited issued 9,950,856 Class B Shares to Exxaro and one of its subsidiaries in consideration for the mineral sands business. Upon completion of the Transaction, former Tronox Incorporated shareholders held 15,413,083 Class A Shares and Exxaro held 9,950,856 Class B Shares, representing approximately 60.8% and 39.2%, respectively, of the voting power in Tronox Limited. Exxaro retained a 26% ownership interest in the South African operations that are part of the mineral sands business in order to comply with the BEE legislation of South Africa.

During 2012, we repurchased approximately 12.6 million Class A Shares, which was approximately 10% of our total voting securities. During October 2012, Exxaro purchased 1.4 million Class A Shares in market purchases. At December 31, 2012, Exxaro held approximately 44.6% of our voting securities.

Prior to the Transaction Date, Tronox Incorporated and Exxaro Australia Sands Pty Ltd., a subsidiary of Exxaro, operated the Tiwest Joint Venture, which included a chloride process TiO_2 plant located in Kwinana, Western Australia, a mining operation in Cooljarloo, Western Australia, and a mineral separation plant and a synthetic rutile processing facility, both in Chandala, Western Australia. As part of the Transaction, we acquired Exxaro Australia Sands Pty Ltd. and therefore Exxaro s 50% interest in the Tiwest Joint Venture. As such, as of the Transaction Date, we own 100% of the operations formerly operated by the Tiwest Joint Venture.

Principal Business Lines

Subsequent to the Transaction, we have two reportable operating segments, Mineral Sands and Pigment. Additionally, our corporate activities include our electrolytic manufacturing and marketing operations.

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Mineral Sands

The Mineral Sands segment includes the exploration, mining and beneficiation of mineral sands deposits. Mineral Sands refers to concentrations of heavy minerals in an alluvial environment (sandy or sedimentary deposits near a sea, river or other water source). We separate these minerals from these primary sources. We process ilmenite into either slag or synthetic rutile. Other than zircon, all of these materials are sometimes referred to as titanium feedstock. Titanium feedstock is the most significant raw material used in the manufacture of TiO_2.

We acquired the mineral sands business from Exxaro on the Transaction Date. The mineral sands business operations are comprised of the KZN Sands and Namakwa Sands mines, both located in South Africa, and Cooljarloo Sands mine located in Western Australia, which have a combined production capacity of 753,000 tonnes of titanium feedstock and 265,000 tonnes of zircon. 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. The Tiwest operations conduct the exploration, mining and processing of mineral sands deposits and the production of titanium dioxide pigment in Western Australia.

The Mineral Sands segment includes:

Titanium Feedstock

Titanium feedstock is considered to be a single 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 generally source a variety of feedstock grades, and supply a wide variety of feedstock grades to the TiO_2 producers.

Titanium minerals (ilmenite, rutile and leucoxene), titanium slag (chloride slag and sulphate slag) and synthetic rutile are all used primarily as feedstock for the production of TiO_2 pigment. According to the latest data provided by TZ Minerals International Pty Ltd (TZMI), approximately 90% of the world s consumption of titanium feedstock is used for the production of TiO_2 pigment.

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. The weathering of ilmenite in its natural environment results in oxidation of the iron, which increases 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, usually contains minor impurities and therefore, commercial concentrates of the mineral typically contain approximately 94% to 96% titanium.

Leucoxene Leucoxene is a natural alteration of ilmenite with a titanium content ranging from approximately 65% to more than 90%. The weathering process is responsible for the alteration of ilmenite to leucoxene, which results in the removal of iron, leading to an upgrade in titanium content.

Upgraded Titanium Products

The lower amount of titanium used in the TiO_2 manufacturing process, the more feedstock required and waste material produced. Naturally occurring high-grade titanium minerals required for the production of TiO_2

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pigment are limited in supply. This limited supply has prompted the mineral sands industry to develop beneficiated products to increase the titanium content in the feedstock 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 (with a titanium content of approximately 90% to 93%) and the other for the production of synthetic rutile (with a titanium content of approximately 86% to 89%). Both processes use ilmenite as a raw material, and are essential processes for the removal of iron oxides.

Titanium Slag The production of titanium slag involves smelting ilmenite in an electric arc furnace under reducing conditions, normally with anthracite (coal) 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.

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.

Co-products

The primary co-products of heavy mineral sands mining and titanium slag production are zircon and high purity pig iron.

Zircon Zircon is extracted, alongside ilmenite and rutile, as part of the initial mineral sands beneficiation process. Zircon is a mineral which is primarily used as an additive in ceramic glazes to add hardness, which makes the ceramic glaze more water, chemical and abrasion resistant. It 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.

Zircon typically represents a relatively low proportion of heavy mineral sands mining but has high value compared to other heavy mineral products, resulting in it contributing a significant portion to total revenue. 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. Historically, zircon has constituted a relatively minor part of the total value produced as a result of the mining and processing of titanium minerals. However, from early 2000, zircon has increased in value as a co-product, although it remains dependent on the mining of titanium minerals for its supply.

High Purity Pig Iron 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.

Pigment

The pigment segment primarily produces and markets TiO_2, and has production facilities at the following locations: Hamilton, Mississippi; Botlek, the Netherlands; and Kwinana, Western Australia, representing an aggregate of 465,000 tonnes of annual TiO_2 production capacity.

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TiO_2 is used in a wide range of products due to its ability to impart whiteness, brightness and opacity, and is designed, marketed and sold based on specific end-use applications. TiO_2 is used extensively in the manufacture of paint and other coatings, plastics and paper and in a wide range of other applications, including inks, fibers, rubber, food, cosmetics and pharmaceuticals. According to TZMI data, the paint and coatings sector is the largest consumer of pigment averaging approximately 58% of total pigment consumption in 2011. The plastics sector accounted for approximately 22% of TiO_2 consumption in 2011, while the remaining 20% was divided between paper, inks, fibers and other.

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. TiO_2 is considered to be a quality of life product and some research indicates that consumption generally increases as disposable income increases. We believe that, at present, TiO_2 has no effective mineral 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.

Corporate and other

Corporate and other is comprised of corporate activities and businesses that are no longer in operation, as well as its electrolytic manufacturing and marketing operations, all of which are located in the United States.

Our electrolytic and other chemical products operations are primarily focused on advanced battery materials, sodium chlorate and specialty boron products.

Battery Materials

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. The battery industry is primarily 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 flat to slightly negative, driven by a flat market for electronic devices.

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 long-term growth of consumer electronics devices, partly offset by the trend toward smaller battery sizes and rechargeable batteries.

Sodium Chlorate

Sodium chlorate is used by the pulp and paper industry in pulp bleaching applications. The pulp and paper industry accounts for more than 95% of the market demand for sodium chlorate. Although there are other methods for bleaching pulp, we believe the chlorine dioxide process is preferred for environmental reasons. The primary raw material that we use to produce sodium chlorate is salt, which we purchase under both multi-year agreements and spot contracts.

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Boron

Specialty boron product end-use applications include semiconductors, pharmaceuticals, high-performance fibers, specialty ceramics and epoxies as well as igniter formulations. According to publicly available industry reports, we are one of the leading suppliers of boron trichloride, along with JSC Aviabor, Sigma-Aldrich Corporation, and several Asian manufacturers. We anticipate demand for boron trichloride will remain positive driven primarily by the growth of the semiconductor industry. We believe we hold 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.

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.

Mining

The mining of mineral sands deposits is conducted either wet, by dredging or hydraulic water jets, or dry, using earth-moving equipment to excavate and transport the sands. Dredging, as used 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 the manufacturing 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 ore is 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 sand so that it collapses on the floor. The water acts as a carrier medium for the sand, due to the high fines content contained in the ore body. The slurry generated by the hydraulic monitors flows to a collection sump where oversize material 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

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materials that remain 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 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 Cooljarloo 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 86%. The smelting process comprises the reduction of ilmenite to produce titanium slag and nodular pig iron. Ilmenite and as-received anthracite (dried to remove fine material 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 Higher grade ilmenite may also be upgraded into synthetic rutile. Synthetic rutile, or upgraded ilmenite, is a chemically modified form of ilmenite that has the majority of the ferrous, non-titanium components removed, and is also 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 first 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 although available from a variety of suppliers, is metallurgically specific in certain conditions. 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. Both of the KZN Sands smelters use anthracite from two local suppliers. Low ash and sulfur content are the main quality considerations.

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Anthracite suppliers with similar cost and availability to the Vietnamese supplier are available in Russia and Ukraine, as well as locally to our South African operations. Alternatively, char may be used as a substitute reducing agent for anthracite.

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 Chandala 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 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 Chandala would be likely.

TiO_2 Manufacturing 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 by manufacturers: the chloride process and the sulphate process. We are one of a limited number of TiO_2 producers in the world with chloride production technology. 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 50% of industry-wide capacity globally. All of our TiO_2 is produced using the chloride process.

The chloride process is a newer technology, and we believe it has several advantages over the sulphate process: it generates less waste, uses less energy, is less labor intensive and permits the direct recycle of chlorine, a major process chemical, back into the production process. In the chloride process, feedstock ores (slag, synthetic rutile, natural rutile or ilmenite ores) are reacted with chlorine (the chlorination step) and carbon to form $TiCl_4$ 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.

The sulphate process can use lower quality (and therefore less expensive) feedstock. In the sulphate process, batch digestion of ilmenite ore or slag is carried out with concentrated sulfuric acid to form soluble titanyl sulphate. After treatment to remove soluble and insoluble impurities and concentration of the titanyl sulphate, 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.

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 sulphate process, some customers 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 sulphate process and has applications in paper, rubber, fibers, ceramics, food and cosmetics. All of our global production capacity utilizes the chloride process to produce rutile TiO_2.

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Market Conditions

Mineral Sands

Titanium feedstock ores, the primary raw materials used in the production of TiO_2, experienced a significant rise in selling prices during 2011. Demand and pricing weakened significantly during 2012. The vertical integration of titanium feedstock and TiO_2 production provides Tronox with a secure and cost competitive supply of high grade titanium feedstock over the long term. Our ability to supply all of the feedstock that our pigment operations require enables us to balance our consumption and sales in ways that our competitors cannot.

Pigment

During 2012, we saw a softening of TiO_2 sales volumes due to continued customer destocking and decline in global demand, primarily as a result of weaker residential and commercial construction markets in Europe and Asia. While we are encouraged by signs of recovery in the U.S. housing market and the increasingly stimulative national policy in China, market conditions for TiO_2 pigment in the fourth quarter of 2012 were similar to those of the third quarter.

Competitive Conditions

We believe that we are in an advantaged strategic position in our industry under any macro-economic conditions and across business cycles. Vertical integration gives us enduring advantages such as our low-cost position which is enabled by capturing feedstock margin on pigment sales and selling the most attractively-priced feedstock in the merchant market, which we believe will result in higher margins, lower earnings volatility and significant free cash flow generation.

Mineral Sands

There are a small number of large mining companies or groups that are involved in the production of titanium feedstock. We believe we are the third largest titanium feedstock producer with approximately 10% of global titanium feedstock production. Rio Tinto, through its ownership of Canadian based Fer et Titane, its share in RBM in South Africa and ownership of QMM Madagascar, is the largest producer of titanium feedstock in the world. Australian-based Iluka Resources Limited is the second largest manufacturer, with operations in Australia and the United States. A number of other manufacturers, such as Cristal Global (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 titanium feedstock to the global market.

Beyond our structurally assured, relative low cost position, our competitive advantages are our depth of experience in various mining methods and technologies, our ability and know-how to produce upgraded products by means of direct current smelting of ilmenite and the synthetic rutile process, and our capacity to market zircon and rutile for use in a broad range of end-use applications. We are furthermore in a position to supply TiO_2 feedstock, zircon and high purity pig iron from any one of several production units in different geographical locations.

Pigment

According to the latest TZMI data, industry production capacity grew to 6.4 million tonnes from 6.0 million tonnes in the prior year. The global market in which our TiO_2 business operates is competitive. Competition is based on a number of factors such as price, product quality and service. We face competition from major international producers, including DuPont, Cristal Global, Huntsman, and Kronos, as well as smaller regional competitors such as Sachtleben Chemie GmbH and Ishihara Sangyo Kaisha, which operate multiple plants on single continents. We estimate that, based on nameplate capacity, these seven companies accounted for more

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than 64% of the global market share. During 2012, we had global TiO_2 production capacity of 465,000 tonnes per year, which was approximately 7% of global pigment capacity. In addition to the major competitors discussed above, we compete with numerous smaller, regional producers, including producers in China that have expanded their sulphate production capacity during the previous five years.

Worldwide, we believe that we and the other major producers mentioned above are the only companies that have perfected and successfully commercialized the chloride process technology for the production of TiO_2. According to TZMI, among the seven largest multi-national producers, 77% of available capacity uses the chloride process, compared to smaller producers who, on average, produce 6% of products using the chloride process, while TiO_2 produced using chloride process technology is generally preferred for some TiO_2 end-use and specialty applications.

We have global operations with production facilities and a sales and marketing presence in the Americas, Europe and the Asia-Pacific regions. Our global presence enables us to sell our products to a diverse portfolio of customers with whom we have well-established relationships.

In recent years, demand growth has increased in Asia-Pacific, Central and Eastern Europe, the Middle East and Africa and South America more than in the mature economies of North America, Western Europe and Japan. Capacity growth over the next ten or so years is expected to be driven by the above global average demand growth in such emerging markets. While there are several chloride projects planned in China, it is unlikely that they will contribute any significant output before 2014. The probability of new greenfield projects (locations where there is not an existing infrastructure) is limited, given the limitations in feedstock supply, as well as financial risks associated with the large investments in a facility, a long lead time and difficulty in achieving permitting (in particular, environmental permitting). As a result no significant new chloride TiO_2 facility has been built since 1994; however, over the years, the industry has increased capacity through expansion of existing plants and debottlenecking, and we expect this to continue going forward.

Electrolytics and Other

The United States primary battery market, predominantly based on alkaline-grade EMD, is the largest in the world followed by China and Japan according to the Freedonia Group. We are one of the largest suppliers of alkaline-grade EMD in the U.S. market. Other significant producers include Tosoh Corporation, Erachem Comilog, Inc., Energizer Holdings, Inc., and Delta EMD Ltd. The remainder of global capacity is represented by various Chinese producers.

For rechargeable batteries, lithium manganese oxide (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 for which the cathode materials are primarily supplied today by Nichia Corp, Toda Kogyo Corp., and other leading Asian LMO materials producers.

Seasonality

There is a seasonal trend in the demand for our products. Because TiO_2 is widely used in paint and other coatings, titanium feedstocks are in higher demand during the second and third quarter of the calendar year in the northern hemisphere economies (spring and summer). This is mostly related to the demand for decorative coatings during seasons when the warmest and driest weather is to be expected. In China, the lowest demand for TiO_2 during the year is experienced in the first quarter, during the two-week Chinese New Year festival.

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Sales and Marketing

Mineral Sands

Titanium Feedstock

Although we use agents and distribution for some sales in the Asia-Pacific region, direct relationship marketing is the primary technique that we employ for the marketing of titanium feedstocks. Multi-year contracts are negotiated with periodic pricing for the pigment industry, while the contract period for other industries tends to be less than one year (either per shipment, quarterly, half-year or one year). Pricing for titanium feedstocks is usually adjusted either on a quarterly or half-year basis. In some instances, we use traders or agents for the sale of titanium feedstocks.

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.

Zircon

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

Pigment

We 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 46% of our total TiO_2 sales in 2012. The tables below summarize our 2012 TiO_2 sales volume by geography and end-use market:

2012 Sales Volume by Geography		2012 Sales Volume by End-Use Market	
Americas	48%	Paints and Coatings	78%
Europe	24%	Plastics	19%
Asia-Pacific	28%	Paper and Specialty	3%

In addition to price and product quality, we compete on the basis of technical support and customer service. Our direct sales and technical service organizations execute our sales and marketing strategy, and work together to provide quality customer service. Our direct sales staff is trained in all of our products and applications. Due to the technical requirements of TiO_2 applications, our technical service organization and direct sales offices are supported by a regional customer service staff located in each of our major geographic markets.

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 us 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. Our Tiwest facility, located in Australia, is well positioned to service the growing demand from Asia. Our Botlek facility, located in the Netherlands, services our European customers and certain specialized applications globally. Combined with our titanium feedstock assets in South Africa and Australia, this network of TiO_2 and titanium feedstock facilities gives us the flexibility to optimize asset and feedstock utilization and generate operational, logistical and market efficiencies.

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Our sales and marketing strategy focuses on effective customer management through the development of strong relationships throughout the company with our customers. We develop customer relationships and manage customer contact through our 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.

Research and Development

We have a research and development facility that services all of our products. The research and development facility focuses on applied research and development testing of both new and existing processes. The research and development facility has a segment 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 complete mineralogy section.

Additionally, we employ scientists, chemists, engineers and skilled technicians to provide the technology (products and processes) for our pigment businesses. Our 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 our pigment and electrolytic research and development efforts are located in Oklahoma City, Oklahoma.

Our expenditures for research and development were approximately $9 million, $9 million, less than $1 million and $6 million for the year ended December 31, 2012, eleven months ended December 31, 2011, one month ended January 31, 2011 and year ended December 31, 2010, respectively. These figures do not include the cost of test work for feasibility studies, which can vary significantly from year to year.

New process developments are focused on increased throughput, 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 2012, our development and commercialization efforts were focused on several TiO_2 products that deliver added value to customers by way of enhanced properties of the pigment.

Patents, Trademarks, Trade Secrets and Other Intellectual Property Rights

Proprietary protection of our intellectual property is important to our business. We have a comprehensive intellectual property strategy that includes obtaining, maintaining and enforcing its patents, trademarks and other intellectual property. However, much of the fundamental intellectual property associated with both chloride and sulfate pigment production is no longer subject to patent protection.

Mineral Sands

In South Africa, we own three patents (including provisional patent grants) and have another four pending patent applications, and our patents are protected in most of our primary markets. We also rely on intellectual property for our Namakwa Sands operations, which was granted to us in perpetuity by Anglo American South Africa Limited for use on a worldwide basis, pursuant to a non-exclusive license. None of our patents are due to expire in the next five years.

We have 14 trademark registrations (including applications for registrations currently pending) in South Africa and Australia. We protect the trademarks that we use in connection with the products we manufacture and

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sell, and have developed goodwill in connection with our long-term use of our 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 our trademarks will not be diluted.

We also use and rely upon unpatented proprietary knowledge, continuing technological innovation and other trade secrets to develop and maintain our competitive position. We conduct research activities and protect the confidentiality of our trade secrets through reasonable measures, including confidentiality agreements and security procedures.

Pigment

While certain patents held for our products and production processes are important to our long-term success, more important is the operational knowledge we possess. We seek patent protection for our technology where competitive advantage may be obtained by patenting, and files for broad geographic protection given the global nature of our business. Our proprietary TiO_2 technology is the subject of over 200 patents worldwide, the substantial majority of which relate to our chloride products and production technology.

At December 31, 2012, we held approximately 200 patents, of which approximately 135 are considered significant to our business. We define significant to our business as patents that are either (1) currently employed in its process or to produce products to its advantage, (2) may not be currently employed by us, but are defensive to prevent competitors from using the technology to their advantage or (3) patents that are likely to be utilized by us in future process or product advancements. Our significant patents have expiration dates ranging from 2013 through 2032.

We also rely upon and have taken steps to secure our unpatented proprietary technology, know-how and other trade secrets. Our proprietary chloride production technology is an important part of our overall technology position. We are committed to pursuing technological innovations in order to maintain our competitive position.

Employees

As of December 31, 2012, we had approximately 3,900 employees, with 900 in the United States, 700 in Australia, 1,900 in the South Africa and 400 in Europe and other international locations. Our employees in the United States are not represented by collective bargaining agreements. Approximately 90% of our employees in Australia are represented by collective bargaining agreements. Approximately 90% of our employees in South Africa have collective bargaining agreements with labor organizations. Approximately 90% of our employees in Europe are represented by works councils. We consider relations with our employees and labor organization to be good.

Environmental Provisions

A variety of laws and regulations relating to environmental protection affect almost all of our operations. Under these laws, we are or may be required to obtain or maintain permits or licenses in connection with our operations. In addition, these laws may require us to remove or mitigate the effects on the environment of the disposal or release of chemical, petroleum, low-level radioactive and other substances at our facilities. Operation of pollution-control equipment usually entails additional expense. Certain 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.

We are in substantial compliance with applicable environmental rules and regulations. Currently, we do not have any outstanding notices of violation or orders from regulatory agencies.

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

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materials, energy and outside services needed to neutralize, process, handle and dispose of current waste streams at our 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, we may be party to 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 our affiliates, and may include claims for personal injuries, property damages, breach of contract, injury to the environment, including natural resource damages, and non-compliance with, or lack of properly updated or renewed, permits. Our current operations also involve management of regulated materials and are subject to various environmental laws and regulations.

In accordance with ASC 450, *Contingencies*, and ASC 410, *Asset Retirement and Environmental Obligations*, we recognize a loss and record an undiscounted liability when litigation has commenced or a claim or an assessment has been asserted, or, based on available information, commencement of litigation or assertion of a claim or assessment is probable, and the associated costs can be estimated. It is not possible for us 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 remediation levels, are continually changing, and the outcome of court proceedings, alternative dispute resolution proceedings (including mediation) and discussions with regulatory agencies is inherently uncertain.

We believe that we have reserved adequately for the probable and reasonably estimable costs of known contingencies. There is no environmental litigation, claim or assessment that has been asserted nor is there any probability of an assessment or a claim for which we have not recorded as a liability. 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, expenses 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.

Environmental, Health and Safety Matters

Mineral Sands

Our 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 various legislation and regulations are subject to a number of internal and external audits. The following describes environmental, health and safety matters with respect to our operations.

We believe that our mineral sands operations are in compliance, in all material respects, with existing health, safety and environmental legislation and regulations. We employ health, safety and environmental experts to advise us on technical and regulatory matters relevant to the management of our facilities and operations, and we continually invest in our plants, equipment and other infrastructure to ensure that our mineral sands operations comply with our obligations under health, safety and environmental laws and regulations.

Fairbreeze Environmental Impact Assessment

In order to receive the environmental authorization necessary to begin Project Fairbreeze, an environmental impact assessment report was prepared and submitted to the Department of Agriculture, Environmental Affairs and Rural Development (DAEARD), as required under the National Environmental Management Act (NEMA). There are two forms of environmental impact reports: a basic assessment report (BAR) and a more comprehensive scoping and environmental impact report (SEIR).

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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 DAEARD to reach its decision. DAEARD granted permission to submit a BAR based on the fact that Exxaro Mineral Sands had already conducted extensive environmental impact assessments and scoping studies 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 and scoping studies already completed.

In September 2012, the South African Department of Mineral Resources (DMR) approved our amendment application to the Environmental Management Program for Project Fairbreeze. This, together with NEMA authorization received earlier this year, allowed us to commence with selected early-phase construction activities while awaiting further authorizations. In October 2012, the Mtunzini Conservatory filed an application for an injunction to halt the early-phase construction at Fairbreeze. We opposed the injunction and in January 2013 the Durbin High Court dismissed the case and awarded costs in our favor. The Mtunzini Conservatory subsequently appealed the dismissal and cost award. We intend to vigorously oppose the appeal and we are proceeding with early-phase construction at Fairbreeze.

Radioactive Minerals

We have the required permits in South Africa and Australia to mine, treat, store, dispose of, transport, handle and allow employee access 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 our consolidated financial statements.

The Royalty Act

The Mineral and Petroleum Resources Royalty Act, 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 South African government.

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% 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%. A maximum royalty of 7% of revenue has been introduced for unrefined minerals. Where unrefined mineral resources constitute less than 10% 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.

Environmental Management

Since 1993, in accordance with the terms of an amendment of the South African Minerals Act, 1991, each new mine was required to prepare an Environmental Management Program Report (EMPR) for approval by the DMR. EMPRs covered the environmental impacts of a mine during its life, up to the point where the DMR issues a closure certificate. EMPRs made specific provision 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.

In terms of the MPRDA, 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 permit or reconnaissance permit have to submit an Environmental Management Plan (collectively referred to as an EMP).

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Applicants for converted mining rights may rely on the EMPR approval for their old order mining right but may be required by the DMR to update this to comply with the provisions of the MPRDA. Prospecting and mining rights only become effective under the MPRDA on the date that the corresponding EMP 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 EMP. An application for a closure certificate now becomes compulsory upon lapsing of the right or cessation of activities.

Prior to the approval of the EMP 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 may 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.

Pigment

Our pigment business 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 our operations and facilities. At many of our operations, we also comply with worldwide, voluntary standards developed by the 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. We 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. We are 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. We currently do not have any products that would be placed on the candidate list. We do not expect the costs of REACH 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 our operation at this time due to these actions. We are currently monitoring proposed legislation regarding TSCA and assessing any potential impacts.

GHG Regulation

We currently report and manage 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

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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 PSD requirements. Some of our facilities are currently subject to GHG emissions monitoring and reporting. Changes or additional requirements due to GHG regulations could impact our 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 GHGs in the atmosphere may result in climatic changes. Depending on the severity of climatic changes, our operations could be adversely affected. Our operations in Australia were subject to a new Australian carbon tax law beginning in 2012, resulting in an estimated $7 million expense annually.

Regulation of the Mining Industry in South Africa

Mineral and Petroleum Resources Development Act, 2002

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 permit may be applied for in order to search for minerals by way of geological, geophysical and photogeological 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.

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 holder is conducting mining operations in contravention of the MPRDA, breaches a material term or condition of such right, is contravening the approval management plan or has submitted inaccurate, incorrect or misleading information in connection with any matter required to be submitted to the Department of Mineral Resources in terms of the MPRDA.

We have approved Social and Labor Plans in place with respect to all of its mining license agreements, as required by the DMR.

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 Revised Mining Charter). The Revised Mining Charter states that its 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;

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promote employment and advance the social and economic welfare of mining communities and areas supplying mining labor;

promote beneficiation of South Africa s mineral commodities beyond mining and processing, including the production of consumer products; and

promote sustainable development and growth in the mining industry.

The Revised Mining Charter was effective as of September 13, 2010. Similar to the requirement under the original Mining Charter, the Revised Mining Charter requires that mining entities achieve a 26% HDSA ownership of mining assets by 2014. The Revised Mining Charter includes requirements that mining companies achieve the following by 2014:

facilitate local beneficiation of mineral commodities and procure a minimum of 40% of capital goods, 70% of services and 50% of consumer goods from HDSA suppliers (i.e., suppliers of which a minimum of 25% 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% 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% 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 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 is said to 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. Currently the MPRDA is subject to a review with a view to adopting and publishing a revised Act in due course. It is envisaged that the revised Act will incorporate much of the requirements as laid out in the Revised Mining Charter and may legislate other requirements.

Regulation of the Mining Industry in Australia

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

Environmental Protection Act 1986 (WA)

The Environmental Protection Act (the EP Act) is the primary source of environmental regulation in Western Australia. The EP Act is administered by the Department of Environment and Conservation (the DEC), which is the Western Australian State Government agency responsible for environmental protection and

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natural resource management. The EP Act establishes the Western Australia Environmental Protection Authority, which conducts environmental impact assessments and provides independent advice and recommendations to the State Minister for Environment.

The EP Act relevantly provides for:

- environmental impact assessment and Ministerial statement of conditions for projects likely to have a significant effect on the environment;
- licensing and works approvals for the construction and operation of certain prescribed premises;
- general obligations not to pollute or cause environmental harm; and
- regulations and policies for the conservation, preservation, protection, enhancement and management of the environment.

If a proposed industrial, mining or infrastructure activity presents a likely risk of significant impact on the environment, a company will be required to refer the proposal to the Environmental Protection Authority under Part IV of the EP Act to decide whether the proposal requires environmental impact assessment and approval. Any person (including any conservation group) may refer proposals to the Environmental Protection Agency, and all government authorities who are responsible for issuing any approvals for the project have a statutory obligation to refer a proposal to the Environmental Protection Agency if the proposal may have a significant effect on the environment.

If assessment is required, the Environmental Protection Agency can either assess on the information provided by the proponent, or proceed to a public environmental review. After completing its assessment the Environmental Protection Agency will forward its recommendations to the State Environment Minister who, if satisfied with the proposed management of impacts, will subsequently issue a Ministerial approval and statement of conditions. 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.

Environment Protection and Biodiversity Conservation Act 1999 (Cth)

The Environment Protection and Biodiversity Conservation Act 1999 (Cth) (EPBC Act) establishes the Federal environment protection regime. The EPBC Act prohibits the carrying out of a controlled action that may have a significant impact on a matter of national environmental significance, such as World Heritage properties, Ramsar wetlands and listed threatened and migratory species or ecological communities. An action that may have such an impact must be referred to the Minister to undergo an assessment and approval process. The requirements of this Act are in addition to any Western Australian legal requirements, and there are significant penalties for non-compliance.

During March 2012, the Western Australian State Government and the Commonwealth Government entered into a bilateral agreement which:

- aims to reduce duplication of State and Commonwealth environmental impact assessment processes; and
- allows the Minister to rely on accredited Western Australian environmental impact assessments (carried out under the EP Act) in assessing actions under the EPBC Act.

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

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1984 (WA), the Occupational Health and Safety Regulations 1996 (WA) and the guidelines. The Mines Safety and Inspection Act 1994 (WA) and Mines Safety and Inspection Regulations 1995 (WA) and guidelines provide the relevant legislation for mining operations in Western Australia. The Dangerous Goods Act 2004 (WA) applies to the safe storage, handling and transport of dangerous goods.

As part of a national process of harmonizing work health and safety laws Australia wide, the Western Australian government is in the process of preparing draft harmonized legislation. The national harmonization laws passed by the Federal Government in November 2011 have not yet been adopted by Western Australia. The Western Australian State Government has not given a date for when the new regime will commence. A review period of six months has commenced and a public consultation period began in July 2012.

Sustainability

Our approach to safety and sustainable development which is codified in the 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, we follow management standards that form the basis for the development and application of our Safety and Sustainable Development Policy at all levels. The management standards cover the entire life cycle of operations, including decommissioning, closure and rehabilitation.

Mining Law

Each Australian state and territory has its own legislation regulating the exploration for and mining of minerals. Our 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 on a comparatively small scale (except iron ore, unless expressly authorized) in the license area, and has a term of four years.

The rights conferred by an exploration license are similar to those conferred by a prospecting license, except that an exploration license is for a larger scale and area, and has an initial term of five years.

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Retention License

A holder of an exploration license or a prospecting license granted (or applied for) before February 10, 2006, or mining lease may apply for a retention license. Exploration licenses and prospecting licenses granted after February 10, 2006 can now have a retention status. 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 license 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 mineralization 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 granted under the Mining Act 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 Minister s discretion. The maximum area for a mining lease applied for before February 10, 2006 is 10 square kilometers; 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 tenement holder must carry out in order to ensure that the land is adequately rehabilitated after mining and that mining is conducted in a safe manner, in addition to the tenement holder s obligations under Federal and State legislation. Mining activity may not commence until the tenement holder has received approval for its mining proposal, which outlines the nature of the proposed development, the method of mining, its environmental impact, rehabilitation proposals and all building plans. The mining proposal 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, community values and other existing land uses, and must summarize the tenement holder s environmental management commitments to manage and ameliorate any significant environmental impacts. If mining is likely to have a significant impact on the environment it must be referred to the Environmental Protection Authority for a formal environmental impact assessment under Part IV of the EP Act. Other environmental approvals include a works approval. An operating license and clearing permit may also be required under Part V of the EP Act.

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 State of Western Australia and the proponents of major resources projects, and are intended to foster resource development and related infrastructure investments. These agreements 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

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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 our Australian operations 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 1993 (Cth) (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 extinguishing native title.

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 native title claimants 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.

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). Compensation rights only arise for the effect of acts done after October 31, 1975 (the commencement of the Racial Discrimination Act 1975 (Cth)).

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. From January 1999, section 125A of the Mining Act 1978 (WA) passed liability for native title compensation for all tenements granted to the holder. It is also a common condition for tenements granted after 1994 that the tenement holder pays any native title compensation.

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 the Aboriginal Heritage Act 1972 (WA) before works that would impact on an aboriginal site can proceed. Any declarations made under Commonwealth 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

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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).

The National Environmental Management Act

NEMA is intended to integrate environmental management countrywide by establishing principles to serve as a general framework for environmental matters and by providing guidelines for the interpretation, administration and implementation of NEMA and any other environmental law.

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.

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.

Property

As of December 31, 2012, our significant properties consisted of the following:

- Three TiO_2 facilities located in Hamilton, Mississippi, Kwinana, Western Australia and Botlek, The Netherlands;
- An EMD and boron facility located in Henderson, Nevada;
- The KZN Sands mine, Namakwa Sands mine, Hillendale mine and Fairbreeze mine located in South Africa;
- The Cooljarloo mine located in Western Australia;
- Corporate offices located in Stamford, Connecticut; and
- Research and development facilities located in Oklahoma City, Oklahoma.

TiO_2 and Electrolytic Facilities

Our TiO_2 and electrolytic facilities consist of the physical assets necessary and appropriate to produce, distribute and supply our TiO_2, electrolytic manganese dioxide, sodium chlorate, boron-based and other specialty chemicals and consist mainly of manufacturing and distribution facilities. We believe our properties are in good operating condition and are well maintained. Pursuant to separate financing agreements, substantially all of our U.S. properties are pledged or encumbered to support or otherwise provide the security for our indebtedness.

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The following table summarizes our TiO_2 production facilities and production capacity (in gross tonnes per year) as of December 31, 2012, by location:

Facility	Production	TiO2 Capacity	Process	Property Owned/Leased	Facility Owned/Leased
Hamilton, Mississippi	TiO_2	225,000	Chloride	Owned	Owned
Kwinana, Western Australia	TiO_2	150,000	Chloride	Owned	Owned
Botlek, the Netherlands	TiO_2	90,000	Chloride	Leased	Owned

The following table summarizes our electrolytic facilities and production capacity (in gross tonnes per year) as of December 31, 2012, by location:

Facility	Product	Capacity	Property Owned/Leased	Facility Owned/Leased
Hamilton, Mississippi	Sodium chlorate	150,000	Owned	Owned
Henderson, Nevada	EMD	27,000	Leased	Owned
Henderson, Nevada	Boron products	525	Leased	Owned

Mineral Sands Licenses and Leases

We mine valuable heavy minerals (VHM), including ilmenite, rutile, leucoxene, zircon, at three separate operations; Namakwa Sands and KZN Sands in South Africa at and Cooljarloo in Western Australia. All three mining operations produce two principal commercial product lines: titanium minerals, such as ilmenite, natural rutile, and leucoxene, and zircon, a zirconium silicate mineral. The individual titanium minerals and zircon all have distinct commercial markets, and the titanium minerals are valuable as either mineral concentrates or as vertically integrated TiO_2 feedstock. Most or all of the ilmenite mined at Namakwa Sands or KZN Sands is intended for smelter feed for titanium slag production at Saldanha Bay and Empangeni, respectively, and ilmenite from Western Australia is internally consumed as synthetic rutile feed at the Chandala metallurgical complex. The synthetic rutile product from Chandala is vertically-integrated with our pigment plant in Kwinana, Western Australia, or it can be marketed as a separate commercial product. The internal valuation of titanium and zircon mineral production is dynamic and relatively complex in terms of our HMS mining-titanium feedstock-TiO_2 supply chain.

South Africa

Our primary South African mining rights are the Fairbreeze, Hillendale and Namakwa Sands mining rights.

The Fairbreeze Conversion mining right was an old order mining right in respect of heavy minerals (HM) ilmenite, rutile and zircon, which was converted to a new order right and executed by the South African DMR on March 23, 2010 and is valid for a period of 25 years. The Fairbreeze C Extension mining right is a new order mining right in respect of HM ilmenite, rutile and zircon, executed by the DMR on April 9, 2009 and is valid for a period of 30 years.

The Hillendale mining right at KZN Sands was an old order mining right in respect of HM, 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.

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

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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 South African MPRDA.

Australia

Our Australian mining leases are at Cooljarloo, Jurien and the Dongara Project mining rights. Our Australian operations also manage six exploration licenses at Cooljarloo West, for areas which are currently under active exploration.

There is one mining lease 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).

Our Australian operations have 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.

Our Australian operations have six mining leases over the Dongara Project area. Our Australian operations are 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 prior to being granted by the Department of Mines and Petroleum.

Our Australian 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 our Australian operations is an agreement authorized and scheduled to the Mineral Sands (Cooljarloo) Mining and Processing Agreement Act 1988 (WA).

Reporting of Ore Reserves and Mineral Resources

The HM reserve estimates reported below are derived from Mineral Resource/Ore Reserve Statements (RR Statements) compiled and reviewed by professionals and technical specialists in Australia and South. The estimates provided are required to be in accordance with the mineral resource reporting standards developed by the Joint Ore Reserves Committee of The Australian Institute of Mining and Metallurgy (the JORC), and SAMREC/SAMVAL Committee (SSC). The JORC is responsible for the JORC Code and the SSC is responsible for the SAMREC Code.

The individual RR Statements contain detailed descriptions of the regional and deposit geology, technical data collection and validation, reserve computation and modeling techniques and other details related to the estimated mineral resource and ore reserve classifications. Each RR Statement is internally reviewed and authorized, and our Western Australia and South Africa operations routinely contract external consultants for audits of their resource and reserve estimates.

The stated Proven and Probable HM Reserve estimates in the table below are unchanged from the Proved and Probable Reserves in the three RR Statements. The HM Reserves classified in accordance with the definition

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standards of the JORC Code and SAMREC Code as Proved Reserves and Probable Reserves are consistent with the definitions of Proven (Measured) Reserves and Probable (Indicated) Reserves under U.S. Securities and Exchange Commission Industry Guide 7, Description of Property by Issuers Engaged or to Be Engaged in Significant Mining Operations, (the SEC Guide 7). The reserve estimates have allowed for various modifying factors, such as mining dilution, mining and metallurgical recoveries, and legal and environmental permitting. The stated HM Reserves reflect a reasonable expectation that all necessary permits and approvals will be obtained for new mines at Fairbreeze, Dongara and Jurien, and that current mining authorizations will be maintained.

Mineral Reserves

At December 31, 2012, HM ore reserves totaled approximately 884 million tonnes of ore containing approximately 58 million tonnes of HM. Based on HM assemblage data, the in-place reserves contain approximately 25 million tonnes of ilmenite, approximately 2 million tonnes of rutile, approximately 2 million tonnes of leucoxene and approximately 5 million tonnes of zircon, for a total valuable HM content of approximately 34 million tonnes. The titanium minerals and zircon have been determined to be economically extractable, after allowing for mining, concentration, metallurgical, infrastructure, legal, environmental, marketing and other factors.

The HM reserves are the portions of mineral deposits that can be economically and legally extracted, as of December 31, 2012, from inventories of mineral deposits in South Africa and Western Australia. The reserves include remaining ore in our active mines in South Africa and Australia, as well as portions of other deposits controlled by us that have classified as reserves.

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At December 31, 2012, our HM reserves were as follows:

Operation	Operating Unit Tronox %(1)	Location	Status	Reserves Category Proven or Probable	HM (Ore) Reserves (In million tonnes)	Grade (% THM)	Total HM (In thousand tonnes)	VHM (In thousand tonnes)	Total HM 2012-2011 (In thousand tonnes)
NAMAKWA SANDS	Mineral Sands (Pty) Ltd (74%)	Western Cape, South Africa	2 Open Cut mines	Proven	**272**	**9.7%**	**26,374**	**13,405**	
				Probable	**160**	**7.1%**	**11,429**	**5,899**	
				Total Namakwa	**432**	**8.8%**	**37,804**	**19,269**	**8,753**
Hillendale	KZN Sands (74%)	KwaZulu-Natal, South Africa	Open Cut Hydraulic mine	Proven	**3**	**5.0%**	**144**	**103**	
				Probable					
				Total	**3**	**5.0%**	**144**	**103**	
Fairbreeze	KZN Sands) (74%)	KwaZulu-Natal, South Africa	Open Cut hydraulic mine under construction	Proved	**114**	**7.7%**	**8,840**	**6,756**	
				Probable	**26**	**5.0%**	**1,274**	**877**	
				Total	**140**	**7.2%**	**10,115**	**7,633**	
KZN SANDS	Tronox (74%)	Republic of South Africa		Proved	**117**	**7.7%**	**8,984**	**6,858**	
				Probable	**26**	**5.0%**	**1,274**	**877**	
				Total KZN	**143**	**7.2%**	**10,258**	**7,735**	**2,462**
Cooljarloo	Western Australia (100%)	Western Australia	Dredge Mine and Open Cut Mine	Proved	**171**	**2.1%**	**3,620**	**2,796**	
				Probable	**58**	**2.1%**	**1,234**	**1,008**	
				Total	**229**	**2.1%**	**4,854**	**3,804**	**(929)**
Dongara	Western Australia (100%)	Western Australia	Future Dry and/or Dredge Mine	Proved	**65**	**5.1%**	**3,324**	**2,291**	
				Probable					
				Total	**65**	**5.1%**	**3,324**	**2,291**	**1,170**
Jurien	Western Australia (100%)	Western Australia	Future mine	Proved					
				Probable	**16**	**7.9%**	**1,240**	**906**	
				Total	**16**	**7.9%**	**1,240**	**906**	
WESTERN AUSTRALIA (WA)	Western Australia (100%)	Western Australia		Proved	**236**		**6,944**	**5,087**	
				Probable	**73**		**2,474**	**1,914**	
				Total WA	**309**		**9,418**	**7,001**	**241**
TOTAL PROVEN + PROBABLE RESERVES(2)					**884**		**57,500**	**34,000**	**11,456**

(1) In connection with the Transaction, Exxaro retained an approximate 26% ownership in the South African operations that are port of the mineral sands business in order to comply with the Black Economic Empowerment legislation in South Africa. Additionally, in connection with the Transaction, the Company owns 100% of the operations formerly operated by the Tiwest joint venture.
(2) Mineral reserves are shown as 100% regardless of our effective ownership percentage.

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The following table reflects HM reserves combined under Tronox Limited for the years ended December 31, 2012, 2011 and 2010, and reflects both 100% of all HM reserves as well as the HM reserves directly attributable to Tronox (100% of the Australian reserves plus 74% of South African reserves).

Heavy Mineral Reserves

(in thousands tonnes)	2012	2011	2010
Namakwa Sands	37,800	39,300	61,700
KZN Sands	10,300	10,500	10,800
South Africa	48,100	49,800	72,500
Cooljarloo	4,900	5,800	3,100
Dongara	3,300	2,200	2,200
Jurien	1,200	1,200	1,200
Australia	9,400	9,200	6,500
TOTAL (100%)	**57,500**	**59,000**	**79,000**
TOTAL ATTRIBUTABLE (74% RSA)	**45,000**	**46,000**	**60,100**

The following table summarizes the proven and probable valuable heavy mineral composition of the total heavy minerals as of December 31, 2012:

	Total Ore Reserves (Mt)	Reserves% THM	Total In-place THM (Kt)	Reserves% VHM	VHM (Kt)	ILMENITE%	RUTILE%	LEUCOX-ENE%	ZIRCON%
Namakwa, Western Cape, RSA	432.2	8.80%	37,804	4.50%	19,269	34	2.5	5.4	9
Hillendale, KwaZulu-Natal, RSA	2.9	5.00%	144	3.60%	103	59	3.8	2	6.8
Fairbreeze, KwaZulu-Natal, RSA	139.6	7.20%	10,115	5.50%	7,633	62	3.4	1.7	8.4
Cooljarloo, Western Australia	228.7	2.10%	4,854	1.70%	3,804	61	5	2.8	9.7
Dongara, Western Australia	64.6	5.10%	3,324	3.50%	2,291	49	6.1	2.8	11.2
Jurien, Western Australia	15.7	7.90%	1,240	5.80%	906	54	6.8	2.3	10
Total Ore Reserves (Mt), THM (Kt) and VHM (Kt)	883.7		57,479		34,006				

Notations:

All reserves are reported at 100% without respect to Tronox share of South African reserves

Total Reserves (ROM) includes Proven and Probable Reserves in Mt (million metric tonnes)

THM = Total Heavy Minerals of approx density 2.96 gm/cm3 or greater. Kt = kilotons (000 s metric tonnes)

VHM = Valuable Heavy Minerals: ilmenite (TiFeO3), leucoxene (TiFe1-xO3), rutile (TiO2) and zircon (ZrSiO4). Kt = kilotons (000 s metric tonnes)

Reserve percentages of ilmenite, rutile, leucoxene and zircon are in-place, calculated as % of THM assemblage

Tronox s mining operations and mineral resource specialists determine ore reserves from the Company s inventory of mineralized material by applying realistically-assumed geological, mining, metallurgical, environmental, infrastructure, legal, marketing, social, and governmental factors to life-of-mine and economic models. Those and all other applicable modifying factors were considered in sufficient detail to demonstrate that extraction is economically viable as of December 31, 2012.

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Geology and Heavy Mineral Deposits

Heavy mineral placer deposits are detrital accumulations of HM, which are resistant to mechanical erosion, have densities of 2.96 gm/cm^3 or greater, have been liberated by weathering and erosion, and are transported by fluvial, marine or wind to depositional traps suitable for accumulation and concentration of economic minerals. Titanium-zirconium deposits, which are the type mined or contemplated to be mined in Australia and South Africa, belong to a class of ore deposit known as heavy mineral sands (HMS) deposits. HMS deposits are characterized by natural concentrations of titanium minerals (ilmenite, natural rutile, and leucoxene) and zircon, a zirconium silicate mineral, with variable concentrations of accessory heavy minerals such as garnet, monazite, staurolite and other resistate minerals, as they are resistant to chemical weathering. The three operating regions of our mineral sands business segment are located in coastal plains of the Atlantic Ocean of western South Africa and the Indian Ocean of eastern South Africa, and Western Australia. Past geologic environments favored accumulations of heavy minerals in these HMS provinces due to: 1) weathering and erosion to liberate titanium minerals and zircon from source rock terranes; 2) fluvial transport of those and other heavy minerals to contemporary coastlines (paleo-shorelines); and 3) concentration of the valuable HM in coastal paleo-environments as alluvial deposits in beach strandlines, proximal offshore or estuarine paleo-environments, or in sand dune complexes.

The following is a description of our three principal regions where we explore for and mine heavy mineral deposits.

Namakwa Sands

Namakwa Sands extracts heavy minerals from two open-cut mines on the semi-arid Atlantic coastal plain (Namaqualand Coastal Plain) near Brand se Baai, 92 kilometers northwest of Vredendal and approximately 350 kilometers north of Cape Town in the Western Cape Province, South Africa. The Namakwa HM reserves are hosted by aeolian (dune) sands accumulated during Late Miocene-Pliocene (approximately 6 million to 2.5 million years before present) and underlying Miocene-age strandline HM placers. The mineralized alluvial deposits overlie basement rocks of the Namaqualand Metamorphic Complex and other units of probable Mid-Proterozoic age (1.6 billion to 900 million years) that provided the heavy minerals to the surficial transportation and depositional environments that resulted in accumulations of heavy minerals. The Namakwa deposit is genetically related to repetitive cycles of weathering, erosion, fluvial transport, marine transgression/regression cycles, HM deposition in strandlines that favored northwest-facing J-shaped bays, and re-distribution and winnowing of sands by winds and topography into a heavy mineral-enriched aeolian dune complex.

The general dimensions of the overall Namakwa deposit are approximately 15 kilometers in a northeasterly direction, with a width of up to four km and variable thicknesses of mineralization. The bulk of the Namakwa HM reserves are hosted by a compound paleo-dune complex composed of sand re-worked from a massive amount of sediment supply to the coastal environment and accumulated in a large trangressive dune field. The Orange Feldspathic Sand (OFS) unit dominates the dune complex and is subdivided into two economic domains based on valuable heavy mineral grades, driven by zircon, and a non-economic domain. Mining conditions in the OFS can be adversely affected by layers of duripan, generally discontinuous layers of with hard cement composed of varying proportions of iron, calcium, magnesium and silica, believed to be remobilized by episodic chemical weathering cycles and possibly microbial activity and re-deposited in the OFS. An overlying unit of much less volume than the OFS, but of high economic significance, is a sheet-like unit of aeolian sand known as the Red Aeolian Sand (RAS). Deposition of the RAS was apparently controlled fluvial bends, topography, and a prevailing south-southwesterly wind. The RAS is characterized by relatively high HM grades and less difficult mining conditions, compared to OFS mineralization. HM concentrations in strandlines and foredunes in the modern shoreline environment are termed Recent Emergent Terraces (RET). The mineralized RET are not included in the Namakwa HM Reserves, as they are currently within an environmental exclusion zone; however, they are included in the mineral resource inventory and may be mineable in the future, subject to mining.

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A younger mineralized unit, the RAS of probable Pleistocene age, forms a sheet-like layer with generally higher HM grades over an area of approximately 17,000 hectares (42,000 acres), not all of which is classified as ore reserves. Zircon contributes significantly to Namakwa Sands internal valuation and ore reserve calculations.

The Namakwa HM reserves are excavated by two dry mining operations. The Namakwa West mine involves stripping of near-surface RAS ore, followed by dry mining of the deeper, internally-variable OFS ore. The Namakwa East mine is a relatively shallow strip mine exclusively in the RAS ore. Current mine production exceeds 20 million tonnes per annum with the West mining rate about twice that of the East mine. Both the West and East Namakwa mines have a dedicated principal concentration plant (PCP) with gravity and magnetic separation equipment to produce HM concentrates as feed to a secondary concentration plant (SCP) at the Brand se Baai mine site. Magnetic and non-magnetic heavy mineral concentrate (HMC) from the SCP are then transported by truck approximately 50 kilometers south to Namakwa s dry mineral separation plant at Koekenaap, 35 kilometers west of Vredendal. The Koekenaap mineral separation plant (MSP) has flexibility to produce multiple commercial mineral concentrates, including at least two zircon concentrates and a high-titanium concentrate composed of rutile and leucoxene, and an ilmenite concentrate for feedstock to a dual DC-arc electric furnace smelter at Saldanha for production of titanium slag and pig iron. All mineral, iron and titanium-slag products are exported from the port of Saldanha Bay, approximately 150 kilometers north of Cape Town.

KZN Sands

KZN Sands operations include the nearly-depleted Hillendale mine and the planned Fairbreeze mine, currently under construction, 20 kilometers and 45 kilometers, respectively, southwest of Richards Bay, KZN Province, South Africa.

Both the Hillendale and Fairbreeze HMS deposits are hosted by paleo-dunes of the Pliocene Berea Red Sands, fine-grained sand and silt whose distinctive red coloration is interpreted to result from oxidation and degradation of iron-bearing minerals. The Fairbreeze deposit is actually a NNE-trend of deposits ~2 km inland from the present coastline extending about 12 km southward from the town of Mtunzini. Dissection of the Fairbreeze dune topography by local rivers and streams has led to division of the deposit into five discrete bodies, mapped as Fairbreeze A, B, C, C-ext, and D. The coastal plain is about 25 kilometers wide at Empangeni, south of Richards Bay and the site of the central processing complex (CPC) of KZN Sands, then narrows rapidly southward to about 6 km at Hillendale and less than 2 km at Fairbreeze, south of the village of Mtunzine. The Hillendale dune system is of probable Pliocene age, and the Fairbreeze deposit is hosted by a younger, transgressive dune complex believed to have formed during the Pleistocene-Holocene.

Hydraulic mining techniques employed successfully at the Hillendale mine will be used at Fairbreeze. The ore is washed via high-pressure hydraulic mining into a sump from which the ore slurry is pumped to a nearby land-based primary wet plant (PWP) for production of a HMC. The HMC is transported by truck to the Empangeni CPC approximately 20 km from the Hillendale mine and 40 km from the future Fairbreeze mine. The CPC consists of two sections: a MSP for production of ilmenite, rutile and zircon mineral concentrates, and a dual electric-arc furnace smelter for production of titanium slag and pig iron.

Western Australia

The Cooljarloo-Jurien HM district is in an approximately 30 km wide strip of the northern Swan Coastal Plain about 165-210 kilometers north of Perth, and includes the Cooljarloo HMS mine, the Jurien heavy mineral reserve and several active exploration projects. The Dongara project, where a dry mining definitive feasibility study has been completed and a dredge mining definitive feasibility study is in progress, is approximately 350 km north of Perth, or about 150 km north of the Cooljarloo-Jurien region. The mining and exploration tenure and activities were formerly conducted by the Tiwest Joint Venture. The Swan Coastal Plain is underlain by sediments of the Perth Basin, including Jurassic, Cretaceous, and early Tertiary sequences of various lithologies and a veneer of Late-Tertiary and Quaternary sediments of varying proportions of sand, silt, clay and limestone,

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mostly of Pliocene to Pleistocene age in the Cooljarloo area west of the Gingin Scarp. The Gingin and related Darling Scarp further south near Perth are escarpments caused by the Darling Fault, which basically forms the boundary between rocks of the Yilgarn Craton to the east and the sedimentary units of the Perth Basin to the west in the Cooljarloo area.

Detrital heavy minerals of the Perth Basin include the ilmenite, rutile and zircon of the Eneabba, Cooljarloo, Capel and other well-known heavy mineral sands districts. The HM were liberated from igneous and metamorphic rocks of the Yilgarn Craton by weathering, and transported by paleo-drainages to the coast where they were concentrated by combinations of longshore drift and wave action. High-grade HMS deposits of probable Pliocene age formed near the base of a regional escarpment known as the Gingin Scarp in the North Perth Basin (Eneabba, Cooljarloo) and as the Darling and Whicher Scarps of the South Perth Basin (Yoganup, Waroona). Younger shorelines within HM deposits associated with Quaternary shorelines occur west of these deposits in the Capel district south of Perth, but these deposits in the North Perth Basin (Jurien, Dongara) have been less exploited due to overburden composed of calc-arenite (limestone) and younger sands.

The Cooljarloo mine exploits a complex of HM-mineralized, unconsolidated sediments deposited as beach strandlines, and in near-shore marine or estuarine environments west of the Gingin Scarp during Late Tertiary Period or Late Tertiary-Quaternary Period. The Cooljarloo mining operation consists of a two-dredge mine feeding ore to a floating concentrator, or wet plant, and a dry mining operation feeding ore to a land-based concentration plant. Production rates vary, but approximately 750,000 tonnes of HMC from approximately 20 million tonnes of ore at Cooljarloo are transported approximately 100 kilometers south via truck to the Chandala mineral separation plant/synthetic rutile metallurgical complex at Muchea, where the HMC is separated into its VHM components: ilmenite, natural rutile, leucoxene and zircon. Ilmenite is fed to the Chandala synthetic rutile facility, and the other VHM concentrates are transported to Bunbury or other Western Australia ports for sale.

The Cooljarloo mine has been in continuous operation since 1989, and average HM grades are decreasing. Tronox is actively exploring other HM deposits south, west and northwest of the Cooljarloo mine. The strategic goal of our Western Australia Resource Technology and Development Group is to sustain HMC production and ilmenite feed to the Chandala and plants beyond 2020. A dry-mining definitive feasibility study (DFS) and a dredge-mining prefeasibility study have been completed at Dongara, and a dredge-mining DFS is currently underway.

Both Jurien and Dongara are younger deposits of probable Quaternary age with locally very high HM grades. The Jurien HM reserves are overlain by calc-arenite, (limestone). Historical mining and exploration of the Jurien deposit in the 1970s by junior miner Black Sands and Western Mining Corporation generated much of the data utilized in past reserve statements by Tronox, but the data base and resource modeling of the deposit have been recently updated during 2011-2012 to feasibility-equivalent, wherein the prior HM reserve estimate has been validated. The Dongara deposit complex consists of eight or more Quaternary-age strandline HM deposits which characteristically narrow widths, elongated north-south, and relative high-grade cores with lower-grade margins. Tronox intends to systematically develop the Dongara deposits as the Cooljarloo ore body becomes progressively depleted from 2014 onward.

Tenure

Exploration and mining activities in Australia and South Africa are governed by the legal and regulatory framework of the respective national and state or provincial authorities. Mineral exploration and development in Western Australia is regulated and administered by the Western Australia Department of Mines and Petroleum under the Mining Act 1978. The Mining Act contains provisions for a variety of tenements including prospecting, exploration, retention and other licenses, and mining leases. Mining lease applications are subject to multiple levels of review, including public comment before mineral title is granted, and mining approvals are subject to environmental and other regulatory approvals.

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We own mining rights for 29,691 hectares (73,368 acres) in Western Australia, in addition to a mining lease grant covering 9,745 hectares (24,080 acres) under the Western Australia State Agreement Act at the Cooljarloo mine. Twenty mining leases covering 17,890 hectares (44,207 acres) have been granted at Dongara, six of which were in a public comment period at December 31, 2012 as part of the environmental approval process. Three mining leases covering 2,056 hectares (5,080 acres) at Jurien are in effect until 2021, and applications for extension are anticipated.

The MPRDA went into effect in 2004 and is the primary regulatory framework legislation in South Africa. The MPRDA is regulated through the DMR and Minister of Mining and establishes the State of South Africa as the custodian of all mineral resources, effectively transferring privately-owned mineral rights to the State and requiring prior owners or grantees of mineral rights to apply to the DMR for new order rights over the previously-held mineral tenements. In addition to the MPRDA other statutes regulating mining-related activities include the NEMA, and National Water Act 36 (NWA), and regulatory bodies include the DMR and the South African Department of Environmental Affairs, as well as agencies at the provincial level, such as the Western Cape Dept of Environmental Affairs and Development Planning and the KZN Dept of Environmental Affairs. Prospecting Rights, Mining Rights and Mining Authorities in South Africa may be independent of surface rights, and land-use rentals and access rights agreements are required in some cases.

Operation or Property	Coverage (Ha)	Mining Tenure
Cooljarloo Mine	9,745	W.A. State Agreement Act, active mine
Dongara	17,890	Aggregate 20 Mining Leases, all granted but in EPA approval phase
Jurien	2,056	Aggregate 3 Mining Leases granted; will require EPA approvals to mine
Namakwa Sands	18,626	Aggregate of >20 mining authorizations at Brand se Baai mining complex
KZN Sands Hillendale-Fairbreeze	5,749	Aggregate of seven Mining Rights granted for Hillendale, Fairbreeze and extensions in Empangeni-Mtunzine area. All converted to new order mining rights.

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MANAGEMENT

Set forth below are the names of those individuals that serve as officers and directors of Tronox Limited.

Name	Age(1)	Position
Thomas Casey	61	Chairman of the Board and Chief Executive Officer
Andrew P. Hines	73	Director
Wayne A. Hinman	66	Director
Ilan Kaufthal	65	Director
Jeffry N. Quinn	54	Director
Peter Johnston	63	Director
Daniel Blue	60	Director
Wim de Klerk	49	Director
Sipho Nkosi	59	Director
John D. Romano	48	Senior Vice President and President, Pigment and Electrolytic Operations
Michael J. Foster	46	Senior Vice President, General Counsel and Secretary
Pravindran Trevor Arran	46	Senior Vice President and President, Mineral Sands Operations
Willem Van Niekerk	54	Senior Vice President, Strategic Planning and Business Development

(1) As of August 1, 2013.

Executive Officers

Set forth below is a description of the backgrounds of our executive officers. Each of our officers joined Tronox Limited on June 15, 2012 upon completion of the Transaction with Exxaro. There are no family relationships among any of our executive officers or directors.

Thomas Casey

Chairman of the Board and Chief Executive Officer

Thomas Casey has served as Chairman of the Board and Chief Executive Officer of Tronox Limited since June 15, 2012 and served as Chairman of Tronox Incorporated since February 2011 and as Chief Executive Officer of Tronox Incorporated 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 Director of Current Group LLC between September 2006 and February 2011, 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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Pravindran Trevor Arran

Senior Vice President and President, Mineral Sands Operations

Parvindran Trevor Arran has served as our Senior Vice President and President, Mineral Sands Operations since June 15, 2012. Prior to joining Tronox Limited upon completion of the Transaction he served as the Executive General Manager of Exxaro s mineral sands and base metals business since April 2009. Prior to that he served as the Executive General Manager of Corporate Affairs and Strategy for Exxaro from November 2006 until March 2009. Mr. Arran has broad experience in the mining industry, supplemented by financial experience gained in equity markets, investment banking and new business. He holds a Bachelor of Science in Geology from the University of Durban Westville and a Bachelor of Science with honors in Economic Geology from the University of Natal. Mr. Arran also completed the Advanced Management Programme at the University of Pretoria s Gordon Institute of Business Science and the Business and Environment Programme at the University of Cambridge.

Michael J. Foster

Senior Vice President, General Counsel and Secretary

Michael Foster has been our Senior Vice President, General Counsel and Secretary since June 15, 2012 and the Vice President, General Counsel and Secretary of Tronox Incorporated since January 2008. Mr. Foster was an executive officer of Tronox Incorporated during its bankruptcy proceedings, from which it emerged in 2007. 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; and 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.

John D. Romano

Senior Vice President and President, Pigment and Electrolytic Operations

John Romano has been our Senior Vice President and President, Pigment and Electrolytic Operations since June 15, 2012 and the Executive Vice President of Tronox Incorporated since January 1, 2011 and Vice President, Sales and Marketing of Tronox Incorporated since January 2008. Mr. Romano was an executive officer of Tronox Incorporated during its bankruptcy proceedings, from which it emerged in 2007. 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.

Willem Van Niekerk

Senior Vice President, Strategic Planning and Business Development

Dr. Willem Van Niekerk has served as our Senior Vice President, Strategic Planning and Business Development since June 15, 2012. Prior to joining Tronox Limited upon completion of the Transaction, he served as the Executive General Manager of Corporate Services for Exxaro, which includes the mineral sands business, since May 2009, where he is responsible for Exxaro s technology, research and development, information management and supply chain management departments. Prior to that, he served as Manager of Growth for Exxaro s mineral sands and base metals business and as General Manager for Marketing and Business Development for Exxaro s mineral sands and base metals business. Dr. Van Niekerk co-managed the Tiwest Joint Venture from 2006 to 2008. Dr. Van Niekerk has a PhD in pyrometallurgy from the University of Pretoria and oversaw the design and development of the titanium smelting technology for the slag furnaces at KZN Sands.

Board of Directors

Set forth below is a description of the directors. Unless otherwise indicated below, each of our directors joined the Tronox Limited Board on June 15, 2012 upon completion of the Transaction with Exxaro. There are no family relationships among any of our directors.

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Thomas Casey

Mr. Casey s biographical information is set forth under the caption Executive Officers, above.

Andrew P. Hines

Andrew Hines has been a director since January 2011. Mr. Hines has been Executive Vice President/Chief Financial Officer of Sonar Entertainment since June 2011. The company develops, 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. (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 C&D Technologies, Inc. and he is Chairman of that company s 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 SEC.

Wayne A. Hinman

Wayne Hinman has been a director since February 2011. Mr. Hinman brings a wealth of expertise in the chemicals and energy sectors. He has 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, a $2.5 billion business. He also has served as a director on numerous joint venture boards within the industrial gases business, most recently, as Chairman of Air Products South Africa and a member of the Board of INOXAP in India. Mr Hinman also served as a member of the board of directors of American Ref-fuel, Pure Air USA, and Taylor-Wharton International. Mr Hinman served in the United States Air Force achieving the rank of Captain. He received his MBA from Virginia Polytechnic Institute and completed the Harvard AMP program.

Peter Johnston

Peter Johnston has been a director since August 1, 2012. Beginning in November 2001, Mr. Johnston has served as Managing Director and Chief Executive Officer of Minara Resources Pty Ltd, one of Australia s and the world s leading nickel producers. He is Chairman of the Minerals Council of Australia; past President of the Chamber of Minerals & Energy (WA); director and past Chairman of the Nickel Institute and Vice President of the Australian Mines and Metals Association. Mr. Johnston also is currently a director of Emeco Holdings limited and Silver Lake Resources Limited. He formerly was employed by WMC Ltd between 1993 and 2001, during which he held the position of Executive General Manager with responsibility over nickel and gold operations, Olympic Dam Operations, Queensland Fertilizers Ltd and human resources.

Ilan Kaufthal

Ilan Kaufthal has been a director since February 2011. Mr. Kaufthal brings years of banking experience to the Tronox board. He is Chairman of East Wind Advisors, a specialized investment banking firm serving companies in the media, education, and information industries. Since 2008, Mr. Kaufthal has also served as Senior Advisor at Irving Place Capital. Earlier in his career, he was Vice Chairman of Investment Banking at

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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, Edmunds.com, and Blyth, Inc., an NYSE-listed home expressions company based in Greenwich, Connecticut, USA. Mr. Kaufthal is a graduate of Columbia University and the New York University Graduate School of Business Administration.

Jeffry N. Quinn

Jeffry N. Quinn has been a director since February 2011. Mr. Quinn is Chairman and Chief Executive Officer of The Quinn Group LLC, a diversified holding company with investments in the industrial, active lifestyle, and entertainment sectors; as well as Quinpario Partners LLC, an investment and operating firm in the performance materials and specialty chemical sectors. Mr. Quinn is former Chairman, CEO and President of Solutia Inc., a NYSE-listed global performance materials and specialty chemical company. Joining Solutia in 2001 as Senior Vice President, General Counsel and Secretary, he became CEO and President of the company in 2004 and Chairman in 2006. He served in those capacities until Solutia was sold to Eastman Chemical Company in July 2012. Previously, Mr. Quinn was an executive officer of Premcor Inc., at that time one of the nation s largest independent oil refiners, and Arch Coal, Inc., the nation s second-largest coal producer. Mr. Quinn currently serves as a member of the board of directors of W.R. Grace & Co., a leading global supplier of catalysts, engineered and packaging materials and specialty construction chemicals and building materials, since November 2012 and MEMC Electronic Materials, Inc., a global leader in semiconductor and solar technology, since October 2012. Mr. Quinn was previously a director of Tecumseh Products Co. Mr. Quinn received a bachelor s degree in Mining Engineering and a Juris Doctorate degree from the University of Kentucky.

Daniel Blue

Daniel Blue has been a director since the integration of Tronox and Exxaro Mineral Sands closed in June 2012. Mr. Blue is a senior commercial partner at Australian law firm Holding Redlich. He is the corporate and commercial group leader in the firm s Melbourne office and co-head of its national energy and resources practice. Mr. Blue has more than 25 years of experience as an advisor, business strategist and negotiator for major mergers and acquisitions and other complex corporate and commercial matters. Mr. Blue has worked around the globe including in Australia, South Africa and Asia. He currently serves on the board of directors of Business for Millennium Development Ltd. He previously served as a director of Lynas Gold N.L. and Acclaim Exploration N.L. Mr. Blue also served as the Chairman of the Acclaim board of directors. Mr. Blue holds bachelor s degrees in law and economics and a master s degree in business administration from the University of Western Australia.

Wim de Klerk

Wim de Klerk has been a director of Tronox since June 2012. He is the Finance Director of Exxaro and serves on Exxaro s board of directors. Mr. de Klerk joined Iscor Ltd., a predecessor company of Exxaro in 1996, where he served on the executive management team. In that capacity, he was responsible for strategy and continuous improvement, divesting non-core assets, and managing the Grootegeluk coal mine. In 2001, Kumba Resources (Kumba) was formed, a spinoff of the previous mining division of Iscor, where Mr. de Klerk was responsible for managing the mineral sands commodity business. In 2006, Mr. de Klerk was named the Finance Director of Exxaro, which was established when the company was spun off from Kumba. Mr. de Klerk is a chartered accountant and member of South African Institute for Chartered Accountants. He holds a Bachelor of Commerce from the University of Pretoria.

Sipho Nkosi

Sipho Nkosi has been a director of Tronox since June 2012. Mr. Nkosi is the Chief Executive Officer of Exxaro and serves on Exxaro s board of directors. He began his career as a market analyst with Ford Motor Company South Africa in 1980 after which, he was appointed as marketing coordinator at Anglo American Coal

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in 1986. He joined Southern Life Association as senior manager, strategic planning in 1992 and the following year accepted the position of marketing manager, new business development at Trans-Natal Coal Corporation, which later became Ingwe Coal Corporation. Mr. Nkosi joined Asea Brown Boveri (South Africa) Ltd. in 1997 as Vice President Marketing and ABB Power Generation in 1998 as Managing Director. He was the founder and chief executive officer of Eyesizwe Holdings and following its merger with Kumba s non-iron ore resources was appointed Chief Executive Officer of Exxaro in 2007. Mr. Nkosi holds a Bachelor of Commerce degree from the University of Zululand, an Honors degree in Commerce (Economics) from the University of South Africa and a Master of Business Administration from the University of Massachusetts in the United States.

Board Committees

Standing committees of the Tronox Limited board are the following: the Audit Committee, the Human Resources and Compensation Committee (HRCC) and the Corporate Governance and Nominating Committee (CGNC). 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*. During the fiscal year ended December 31, 2012, there were four meetings held by the audit committee, two meetings held by the HRCC and two meetings held by the CGNC. The table below provides current membership and fiscal year 2012 meeting information for each of the Board committees.

Name	Audit	HRCC	CGNC
Thomas Casey*			
Daniel Blue			
Andrew P. Hines	D		
Wayne A. Hinman			D
Peter Johnston			
Ilan Kaufthal			
Jeffry N. Quinn		D	

* Chairman of the Board
D Chair
Member

Corporate Governance and Nominating Committee

The CGNC assists the Board of Directors with respect to: (a) the organization and membership and function of the Board of Directors, including the identification and recommendation of director nominees and the structure and membership of each committee of the Board of Directors, (b) corporate governance principles applicable to the Company and (c) the Company s policies and programs that relate to matters of corporate responsibility. The CGNC reviews and makes recommendations to the Board of Directors regarding the composition of the Board of Directors, structure, format and frequency of the meetings. The CGNC has not formally established any specific, minimum qualifications that must be met by each candidate for the Board of Directors or specific qualities or skills that are necessary for one or more of the members of the Board of Directors to possess. However, the CGNC, when considering a potential candidate, will factor into its determination the following qualities of a candidate: professional experience, educational background, knowledge of our business, integrity, professional reputation, independence, wisdom, and ability to represent the best interests of our shareholders. It also takes account of relevant legal and stock exchange listing requirements. The CGNC also reviews and makes recommendations to the Board of Directors regarding the nature, composition and duties of the committees of the Board of Directors. The CGNC reviews and considers shareholder recommended candidates for nomination to the Board of Directors. It is the Board of Directors policy that shareholders may propose nominees for consideration by the CGNC by submitting the names and other relevant information to the Corporate Secretary at the following address: Tronox Limited, 263 Tresser Boulevard, Suite 1100, Stamford, Connecticut 06901, USA.

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Audit Committee

The primary responsibilities of the audit committee are to oversee the accounting and financial reporting processes of our company as well as our affiliated and subsidiary companies, and to oversee the internal and external audit processes. The audit committee also assists the Board of Directors in fulfilling its oversight responsibilities by reviewing the financial information which is provided to shareholders and others, and the system of internal controls which management and the Board of Directors have established. The audit committee oversees the independent registered public auditors, including their independence and objectivity. However, the committee members are not acting as professional accountants or auditors, and their functions are not intended to duplicate or substitute for the activities of management and the independent registered public auditors. The audit committee is empowered to retain independent legal counsel and other advisors as it deems necessary or appropriate to assist the audit committee in fulfilling its responsibilities, and to approve the fees and other retention terms of the advisors.

The audit committee is comprised of three members, each of whom was elected by the Board of Directors. Our Board of Directors has determined that Mr. Hines qualifies as an audit committee financial expert. Mr. Hines has in-depth financial experience and highly valued senior leadership experience, making him a valued member of Tronox Limited 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.

Human Resource 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 of 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.

Code of Business Conduct and Ethics

The Company has adopted the Tronox Code of Business Conduct and Ethics that applies to all of the Company s employees, including its principal executive officer, principal financial officer and principal accounting officer, and its Board of Directors. The Code of Business Conduct and Ethics is available on the Company s website at www.tronox.com. If the Company makes any substantive amendments to the Business Code of Conduct and Ethics or grants any waiver from a provision of the Business Code of Conduct and Ethics to any executive officer or director, the Company will promptly disclose the nature of the amendment or waiver on its website.

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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 Limited 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 Limited s named executive officers (NEOs) identified in the Summary Compensation Table.

Compensation Philosophy and Objectives

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

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

Setting Executive Compensation

Elements of Compensation

The Human Resources and Compensation Committee (HRCC) 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 both overall and individual performance;
- grants of long-term equity-based compensation, such as restricted shares 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 shareholders.

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

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financial and job security, while motivating him or her to focus on business metrics that will produce a high level of short-term and long-term performance for Tronox that will create value for shareholders and executives alike. Our compensation mix, which includes short- and long-term incentives as well as time and performance vesting features, is competitive and reduces the risk of recruitment of our top executive talent by competitors. The mix of metrics used for our annual 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. For purposes of compensation competitiveness, the competitive market consists of our current peer group as discussed under Other Compensation Practices Market Competitiveness.

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 determines the salary, incentives, and benefits making up the total compensation of our Chief Executive Officer and recommends to the board of directors for approval any changes to the compensation elements for the Chief Executive Officer;
- reviews and evaluates the salaries, incentives and benefits recommended by our Chief Executive Officer for all of our other executive officers and determines the actual compensation paid to these executives after making any changes it deems appropriate from the recommendations of our Chief Executive Officer;
- defines the terms and conditions, including performance metrics, for the stock options, restricted shares, and other long-term equity awards for our executive officers and reviews and approves all grants made to the 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 targeted compensation at the median of benchmark statistics provided by our independent compensation consultant for each element of total compensation (base, annual incentive and long-term incentives). 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 Chief Executive Officer 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 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 each 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 or its business. 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 shareholders. The combination of performance measures for annual bonuses and the equity compensation programs 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. The HRCC and the board of directors have all determined that none of our 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 among other things, a competitive pay analysis comparing the compensation of our named executive officers against benchmark compensation statistics; program design advice, and an independent review of compensation proposals developed by management. 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. A representative from Lyons, Benenson & Company attended all HRCC meetings in 2012 and performed no other services for the company or its management other than that described above. The HRCC has the sole authority to hire and terminate its consultant, approve its compensation, determine the nature and scope of its services, and evaluate its performance.

Role of our CEO and Management in Determining Performance

At the beginning of each year, the CEO recommends to the HRCC the objectives he believes should be achieved for the company to be successful, based upon the approval of the company s annual budget. These objectives will be used to measure the CEO s performance during the year and include both financial and strategic measures. These goals are approved by the HRCC at its February meeting. In addition, some of these objectives will be used by the HRCC in setting the metrics for the annual incentive plan. In the beginning of the year, the CEO also recommends target compensation levels for annual and long-term awards for the executive officers other than the CEO and the board of directors approves the target levels of compensation for the CEO.

At the end of the performance year, the CEO completes a performance evaluation for his own performance and reviews his evaluation with the HRCC. The full board also provides input on the CEO s performance and submits this to the chair of the HRCC for consolidation. The HRCC consolidates all inputs and leads a discussion with the full board at the February meeting. The full board will determine the incentive amount and any base salary change for the CEO. Feedback will be provided to the CEO by the HRCC chair.

In addition, each executive officer completes a performance evaluation for his own performance and reviews his evaluation with the CEO. The CEO then summarizes these results and brings them to the HRCC along with his initial recommendation for each executive s base salary increase, annual incentive award, and long-term incentive award. The CEO also receives market data and input from the Chief Human Resources Officer. The HRCC will then determine the amounts for any base salary increase and annual and long-term incentive awards for each executive officer.

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Components of Executive Compensation

The principal components of our executive compensation program and the purpose of each component are presented in the following table. As described above, we target the median of each element of direct compensation as compared to market data in the Towers Watson executive compensation survey as well as compared to our peer group (as described under Other Compensation Practices Market Competitiveness). We also provide additional benefits and perquisites to be competitive with local practices and with our peer group.

Component	Key Characteristics	Purpose	Principal 2012 Actions
Base Salary	Fixed compensation.	Intended to compensate executive officers for the responsibility of the position held.	Adjustments made to some executive officers to better reflect larger scope of responsibility in new merged company.
	Reviewed annually and adjusted if needed based on performance and market comparison.		
Annual Incentive Awards	Variable compensation targeted as a percentage of base salary.	Intended to motivate and reward executive officers for achieving short-term business objectives that drive overall performance.	2012 payments reduced from target by 90%.
	Performance-based measured on corporate and business unit performance and levels of individual contributions.		2012 payments for the named executive officers ranged from $17,821 to $150,000.
Long-Term Incentive Awards	Variable compensation targeted as a percentage of base salary.	Intended to motivate and reward executive officers for achieving long-term business objectives that align with the interests of our shareholders.	The named executive officers other than the CEO and CFO received LTIP grants in June 2012 ranging from 130% to 150% of base salary.
	Generally granted annually as a combination of stock options, time-based restricted shares, and performance-based restricted shares.		Our CFO received equity awards upon his hire.
	Amounts actually earned will vary based on stock price and corporate performance.		Our CEO received a 2012 equity award as stipulated in his employment agreement.
Limited Perquisites	Financial counseling assistance.	Given altered responsibilities and relocation, intended to provide assistance to executives in making strategic decisions regarding their financial and tax arrangements.	New financial counseling benefit approved by the board of directors to pay up to $10,000/year per executive officer.

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Component	Key Characteristics	Purpose	Principal 2012 Actions
Other Benefits	Additional elements defined by local country practice including medical and other insurance benefits, pension or other long-term savings plans, and post-employment compensation.	Intended to provide competitive benefits that promote employee health, financial security, and income security in the event of an executive s involuntary termination.	No significant changes to programs in 2012.

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. During 2012, the HRCC adjusted the salary levels for all of the executive officers except for our CEO to get them better aligned to market data for their expanded positions in the new company.

Annual Incentive Plan

For 2012, Tronox s executive officers were eligible to receive cash awards under the 2012 Annual Incentive Plan.

The size of the potential incentive payable to each executive officer is set as a percentage of each executive officer s base salary (the Target Percentage). The Target Percentage for our CEO was 150% of his base salary and the Target Percentage for the other named executive officers ranged from 65% to 75% of base salary. The board of directors considers the recommendations of the HRCC and benchmark statistics when setting the Target Percentage for the CEO each year.

At the beginning of each year the HRCC establishes the performance goals and metrics under the Annual Incentive Plan and the portion of the bonus attributable to the achievement of each performance goal. The board of directors approves these goals for the CEO. These performance goals are tied to measures that the board of directors believes will benefit our shareholders the most. While initial EBITDA goals were established for the original business in the beginning of 2012, these were not solely used at the end of the year due to the restructuring and the overall company goals changing with the establishment of the new Tronox.

At the January 2013 HRCC meeting, our CEO presented the performance results of the company to the HRCC for their review and their determination of the bonus pool. Our CEO reviewed the company s performance during 2012, during which we improved our safety performance, generated approximately $500 million of Adjusted EBITDA, closed the acquisition of a feedstock supplier to our pigment business, listed our shares on the NYSE, returned almost $600 million in cash to shareholders, raised $900 million in new capital in market financing, exceeded the cost-savings forecast from our merger, and engaged in a variety of other cost control and efficiency enhancing initiatives.

Performance for our business, as well as for our peers, was significantly lower than forecast at the beginning of the year, due to changes in total market demand resulting from weaker macroeconomic conditions in Europe, China (and the Asia Pacific region generally) that was not offset by economic activity in North America.

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Moreover, we believe that many of our customers built significant inventories of our TiO_2 product in 2011 that they used to reduce pigment purchases in 2012. As a result of these and other market developments, we did not produce the financial performance that we had forecast for 2012.

Under these circumstances, our CEO recommended, and the HRCC Committee approved, a reduction in annual performance bonuses by 90% from target levels. The Committee recognized that management had performed well under difficult conditions that affected the entire industry and expressed its continued confidence in the management team.

Long-Term Incentive Program

We provide a long-term incentive opportunity to motivate and reward our executive officers for contributions in driving our overall performance by tying these incentives to the performance of our total shareholder return and return on capital employed. This links the payments received by the executive officers to other shareholder s returns and motivates long-term financial performance. The amounts of the grants were determined using competitive market data. The Target Percentage for our CEO, as defined in his employment agreement, was $3,000,000 and the Target Percentage for the other named executive officers ranged from 130% to 200% of base salary. Awards are provided under the Tronox Limited Management Equity Incentive Plan (the Tronox Limited Equity Plan).

In June 2012, the HRCC granted long-term incentives using a mix of stock option, time-based restricted shares, and performance-based restricted shares to Messrs. Romano, Foster, and Robert C. Gibney. In October 2012, a similar grant was issued to Dr. Van Niekerk. The annual grants to our named executive officers, other than our CEO and CFO, were allocated as follows:

Award Type	Percentage
Stock Options	25%
Time-based Restricted Shares	35%
Performance-based Restricted Shares	40%

Stock options provide value based solely on stock price appreciation. Grants have a term of ten years and vest one-third on each of the first three anniversaries of the date of grant. The exercise price is based on the closing price of a share of our common stock on the date of grant.

Restricted shares provide value based on the current stock price. The time-based restricted shares vest one-third on each of the first three anniversaries of the date of grant. Dividends are issued consistent with those issued to other shareholders.

Performance-based restricted shares provide value by linking the award payments to the long-term results of the company. 50% of the performance-based restricted shares are tied to our ranking of total shareholder return versus our peer group over a three-year measurement period. The actual number of shares that will vest will be equal to the aggregate number of shares granted multiplied by the applicable Total Shareholder Return (TSR) payout percentage. TSR payout percentages will be determined using straight line interpolation between Threshold and Target and between Target and Maximum.

Three-Year Total Shareholder Return Ranking	Payout Percentage
75th percentile or higher (Maximum)	200%
55th percentile or higher, but lower than 75th percentile (Target)	100%
35th percentile or higher, but lower than 55th percentile (Threshold)	25%
Below 35th percentile	0%

The remaining 50% of performance-based restricted shares are tied to our return of capital employed over a three-year measurement period versus our weighted average cost of capital over the same period. The actual number of shares that will vest will be equal to the aggregate number of shares granted multiplied by the

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applicable Return on Capital Employed (ROCE) payout percentage. ROCE payout percentages will be determined using straight line interpolation between Threshold and Target and between Target and Maximum.

Three-Year Return on Capital Employed	Payout Percentage
130% (Maximum)	200%
100% (Target)	100%
85% (Threshold)	25%
Below 85%	0%

The annual grant for our CEO was defined in his employment agreement. Per these terms, he received a grant with an initial value of $3,000,000. This consisted of 40% time-based restricted shares and 60% performance-based restricted shares. All the terms and metrics were consistent with the grants to the other executive officers described above except that the number of shares granted was based on the volume-weighted average price over the 30-day period preceding the date of grant.

Mr. Greenwell received an equity grant in January 2012 upon his hire into Tronox, which consisted of time-based restricted shares and stock options. Further details of this are described below in Other Compensation Practices Sign-on Incentives.

Perquisites

During 2012, the board of directors approved a financial counseling benefit for the executive officers. Under this plan, each executive officer will be eligible for up to $10,000 per year to assist with financial planning, estate planning, and tax preparation. These amounts are considered taxable to the executive and are described in the Summary Compensation Table below under the All Other Compensation column.

Savings & Retirement Plans

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

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 85% of their annual salary or the limit prescribed by the Internal Revenue Service to the Savings Plan on a before-tax basis. During 2012, the company matched 100% of the first 3% of pay that each employee contributed and 50% of the next 3% of pay that each employee contributed. In addition, there was a discretionary profit sharing company contribution to the Savings Plan of 7.5% of employee s eligible compensation. For 2013, the company will match 100% of the first 6% of pay that each employee contributes to the Savings Plan and will provide 6% match for the profit sharing piece. All contributions to the Savings Plan, as well as any company matching contributions, are fully vested upon contribution. For employees hired after January 1, 2012, the vesting for the profit sharing contributions is three years.

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). 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. Also, executive officers and certain other eligible executives can participate in a nonqualified deferred compensation plan, which allows deferral of up to 20% of base salary and annual bonus.

Tronox also sponsors a qualified defined benefit retirement plan (the Qualified Plan), which was frozen in April 2009, following our filing for Chapter 11 bankruptcy protection. As part of Tronox s Plan of Reorganization,

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the Qualified Plan will remain frozen going forward and we will rely on the Savings Plans as our sole employee retirement plans. Certain named executive officers remain participants in this plan as described below in the Pension Benefits as of December 31, 2012 table.

Other Compensation Practices

Market Competitiveness

Our executive compensation program is designed to be competitive within the various marketplaces in which we compete for employees. The HRCC annually reviews the competitiveness of each executive s compensation as it compares to our peer group. Lyons Benenson and the HRCC designed an initial peer group for pay competitiveness and 2012-2014 performance awards in our LTIP program which included chemical, mining, and end-user companies against which Tronox competes for talent. Members of Tronox s peer group for 2012 consisted of the following companies:

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

At the December 2012 HRCC Meeting, a new peer group was approved to be used for future performance comparisons. This group was filtered down through a series of performance-oriented tests from 164 companies to the final 14. The review included looking at industry classification, stock price correlation, business model similarity, financial profile, and consistent analyst mention. The final approved new peer group is below:

Albemarle Corp.	Cliffs Natural Resources, Inc.	Freeport-McMoran Copper & Gold Inc.	Southern Copper Corp.
Cabot Corp.	Cytec Industries Inc.	Huntsman Corp.	Teck Resources Ltd.
Celanese Corp.	Eastman Chemical Company	Kronos Worldwide, Inc.	
Chemtura Corp.	E.I. du Pont de Nemours and Company	Rockwood Holdings, Inc.	

Lyons Benenson conducted an analysis for the HRCC of our executive s compensation as it compares to the proxy data within the new peer group. As part of this analysis, each individual compensation component was reviewed as well as aggregate compensation amounts as it compared to the 50th percentile of the peer group. The Tronox total target compensation for our named executive officers was generally at the median of the peer group target compensation. However, because our bonus payments were significantly below target for 2012, the actual total compensation for our named executive officers for 2012 was generally at 78% of the peer group target compensation.

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Stock Ownership Guidelines

Beginning in December 2012, the HRCC approved stock ownership guidelines that ensure that executives are aligned with the interests of our shareholders by requiring them to hold significant levels of company stock. All shares owned outright and 60% of time-based restricted shares count towards share ownership. Executives have five years to reach their ownership guidelines. Currently three of our NEOs, including our CEO, have met their ownership requirements. The ownership guidelines are presented as a percentage of base salary as follows:

Position	Percentage of Base Salary
Chief Executive Officer	500%
Executive Officers	300%
Other Direct Reports to the CEO	100%

Clawback Policy

At the January 2013 HRCC meeting, a clawback policy was introduced and approved for executives, including all the NEOs. This policy allows for clawback on incentive compensation, from both the annual and long-term plans, when the payment was based on financial results that were subsequently restated due to fraud or intentional misconduct and the payment was greater than it would have been if calculated based on the accurate financial statements.

Sign-on Incentives

On January 2, 2012, Tronox hired Daniel D. Greenwell to serve as its Chief Financial Officer. In connection with his commencement of employment, Mr. Greenwell was granted a sign-on equity grant of 7,333 shares of restricted shares, an initial equity award consisting of 2,750 shares of restricted shares and 4,466 stock options, in each case, vesting in three pro-rata equal installments on each of January 2, 2013, January 2, 2014, and January 2, 2015, respectively; provided, however, the portion of each award scheduled to vest on January 2, 2013 vested immediately upon the consummation of the merger with Exxaro in June 2012. Details of these awards are shown below in the Grants of Plan-Based Awards in 2012 table.

Separation Agreement

Effective September 30, 2012, a separation agreement was entered into with Mr. Gibney, who was our former SVP and Chief Administrative Officer. In accordance with the terms of Mr. Gibney s separation agreement, he will receive severance in the amount of $650,000 payable biweekly over the 365 days following his separation date. In addition, 7,500 shares of restricted stock vested upon his departure while all his other unvested awards were cancelled. The benefits payable to Mr. Gibney under the separation agreement are based upon the severance benefits payable to Mr. Gibney under his separation agreement upon a termination of employment without cause (as described under Employment Agreements).

On February 9, 2013, Mr. Greenwell entered into a separation agreement whereby he resigned as Chief Financial Officer, effective March 31, 2013. The benefits payable to Mr. Greenwell under the separation agreement are based upon the severance benefits payable to Mr. Greenwell under his employment agreement upon a termination of employment without cause (as described below under Employment Agreements). Pursuant to the terms of the separation agreement, subject to his execution of a general release of claims, he will receive a lump sum cash payment equal to $1,338,750 and immediate accelerated vesting of 25,208 shares of restricted stock and 11,167 options. In addition, Mr. Greenwell will also receive continued coverage under Tronox Limited s benefit plans until September 30, 2014. Mr. Greenwell will continue to be subject to the restrictive covenants set forth in his employment agreement.

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 we may

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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

The Australian Corporations Act restricts the benefits that can be given to individuals who hold managerial or executive office on cessation of their employment or loss of their office with Tronox Limited or its related bodies corporate. Under the Australian Corporations Act, Tronox Limited (and certain of its affiliates) may give a person a benefit in connection with their ceasing to hold managerial or executive office in Tronox Limited or a related body corporate only if the giving of the benefit is approved by shareholders in accordance with the requirements of the Australian Corporations Act or an exemption applies.

In the case of Tronox Limited, a managerial or executive office is an office of director, or any other office or position related to the management of Tronox Limited s affairs that is held by a person who also holds an office of director of Tronox Limited or a related body corporate.

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 Tronox Limited Equity Plan and employment agreements between us and our named executive officers. For further details on these arrangements, please refer to Potential Payments upon Termination or Changes in Control and Employment Agreements.

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

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SUMMARY COMPENSATION TABLE FOR YEAR-ENDED DECEMBER 31, 2012

The following table sets forth the total compensation for the years ending December 31, 2012, December 31, 2011, and December 31, 2010 for our chief executive officer, our chief financial officer, our three most highly compensated other executive officers who were serving as executive officers as of December 31, 2012, and one previous executive officer who would have been in the three most highly compensated other executive officers if he were still employed. Our remaining executive officer, P. Trevor Arran, who leads our Mineral Sands business, became our employee on June 15, 2012 and therefore his pay did not reach the threshold to qualify him to be a named executive officer for 2012.

Name & Principal Position	Year	Salary ($)(1)	Bonus ($)(2)	Stock Awards ($)(3)	Option Awards ($)(4)	Non-Equity Incentive Plan Compensation ($)(5)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(6)	All Other Compensation ($)(7)	Total ($)
Thomas Casey	2012	1,000,001	150,000	2,922,857		0		1,741,451	5,814,309
Chairman & Chief	2011	223,077	2,000,000	7,176,502		1,125,000		141,236	10,665,815
Executive Officer									
Daniel Greenwell	2012	468,161	38,250	1,211,472	330,037	0		278,080	2,326,000
Senior Vice President and									
Chief Financial Officer									
John D. Romano	2012	417,547	32,900	524,904	176,294	0	116,042	134,970	1,402,657
Senior Vice President and	2011	358,192		5,202,208		421,200	67,743	618,211	6,667,554
President Pigment &	2010	266,000				467,017	(92,001)	9,599	650,615
Electrolytic									
Michael J. Foster	2012	382,308	27,950	416,138	139,753	0	23,286	109,039	1,098,474
Senior Vice President &	2011	328,942		4,297,423		297,000	18,443	180,411	5,122,219
	2010	275,000				329,307	10,583	9,790	624,680
General Counsel &									
Secretary									
Willem Van Niekerk	2012	230,600	17,821	400,751	131,613	0		139,161	919,946
Senior Vice President									
Strategic Planning &									
Business Development									
Robert C. Gibney	2012	268,769	0	416,138	139,753	0	68,525	610,709	1,503,894
Senior Vice President,	2011	298,927		2,714,233	1,486,800	270,000	60,074	497,192	5,327,226
	2010	244,200				299,370	(64,079)	8,789	488,280
Global Supply Chain &									
Chief Administrative									
Officer									

(1) Dr. Van Niekerk became a Tronox employee on June 15, 2012 and was based in South Africa until his move to the U.S. effective September 1, 2012. His pay for June, July and August was converted from South African Rands to U.S. Dollars using the average monthly conversion rate for the three months, which equaled 1ZAR = 0.12025 USD.

(2) Mr. Casey s 2011 bonus reflects a $2,000,000 sign-on bonus per the Casey Employment Agreement.

(3) Amounts reported in this column represent the aggregate grant date fair value for restricted shares and/or performance shares at target granted in each respective year. The grant date fair market value was computed in accordance with the share-based accounting guidance under ASC 718. Performance shares are reported at target value; however, they have the potential to be paid at 200% of target if maximum performance is achieved.

(4) Amounts reported in this column represent the aggregate grant date fair value for stock options granted in each respective year. The grant date fair market value was computed in accordance with the share-based accounting guidance under ASC 718.

(5) Amounts reflected in this column represent the incentive compensation earned for each year s performance against pre-determined objectives. For 2011, these amounts were previously reflected in the Bonus column instead of this column.

(6) The present value of accumulated benefits as of December 31, 2012 was determined using the estimated ASC 715 assumptions in effect on December 31, 2012. The ASC 715 discount rate was 3.75%. 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 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. Our deferred compensation program does not allow for above-market earnings and therefore there is no value included for this amount. Messrs. Casey, Greenwell, and Dr. Van Niekerk do not participate in our pension program.

(7) 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 ($)(1)(2)	Relocation Payments ($)(3)	Dividends ($)(4)	Tax Gross-Ups ($)(5)	Other ($)(6)
Thomas Casey	2012	372,703	8,800	218,952	7,692	1,133,304
	2011	140,215				1,021
Daniel Greenwell	2012	56,956	42,734	16,808	28,135	133,447
John D. Romano	2012	100,441		9,495		25,034
	2011	104,907				513,304
	2010	9,208				391
Michael J. Foster	2012	81,327		7,528	588	19,596
	2011	93,791				86,620
	2010	9,519				271
Willem Van Niekerk	2012	18,732	61,255	4,748	35,069	19,357
Robert C. Gibney	2012	65,518	178,599	3,764	122,881	239,947
	2011	78,000				419,192
	2010	8,453				336

(1) Tronox suspended the 401(k) savings match in both the Savings Plan and the Savings Restoration Plan on July 1, 2008 and reinstated the match program on April 1, 2010. The company match into the Savings Plan was 100% on the first 3% of employee s contributions and 50% on the next 3% of employee s contributions up to the IRC limits for each year and the same match went into the Savings Restoration Plan for all eligible income above the IRC limits.

(2) Tronox initiated a discretionary contribution to the Savings Plan effective January 1, 2011. This program contributed 7.5% of an employee s base salary into the Savings Plan up to the IRC limit and then continued the 7.5% contribution in the Savings Restoration Plan for pay above the IRC limit.

(3) Amounts represent relocation expenses for the executive to move their residence to their current place of employment, including shipment of household goods, house hunting expenses and temporary living.

(4) Dividends are paid on outstanding restricted shares at the approved dividend rate and date for all shareholders. For 2012, this rate was $0.25/share post-split. Further details regarding number of outstanding shares can be found in the Outstanding Equity Awards at December 31, 2012 table below.

(5) Tax-gross ups were provided to executives for costs related to relocation expenses, corporate apartment expenses, or financial planning. For Mr. Greenwell, the full amount represents payment made by the company for his temporary living in a corporate apartment. For Dr. Van Niekerk, the full amount represents his taxable relocation expenses provided for his move to the United States. For Mr. Gibney, $109,485 represents his taxable relocation expenses provided for his move to Stamford, Connecticut and the remainder of this amount consists of payments for his temporary living in a corporate apartment and taxes for his financial planning.

(6) This column reflects all other compensation that is not reported elsewhere. For 2012, these amounts include the following: for Mr. Casey, $961,625 cash payment for restricted shares exchanged for $12.50/share plus one share of Tronox Limited stock for each previously held Tronox Inc. share, $166,744 for personal aircraft use valued as the aggregate incremental cost to the company of our corporate aircraft, life insurance premiums paid by the company and financial counseling; for Mr. Greenwell, $84,038 cash payment for restricted shares exchanged for $12.50/share plus one share of Tronox Limited stock for each previously held Tronox Inc. share, $28,129 for personal aircraft use valued as the aggregate incremental cost to the company of our corporate aircraft, $19,615 vacation payout, and life insurance premiums paid by the company; for Mr. Romano, $23,500 vacation payout and life insurance premiums paid by the company; for Mr. Foster, $18,192 vacation payout and life insurance premiums paid by the company; for Dr. Van Niekerk, $18,846 for housing allowance per his employment agreement; and for Mr. Gibney, $150,000 for severance pay in connection with his separation agreement as described above, $88,894 vacation payout, and life insurance premiums paid by the company.

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GRANTS OF PLAN-BASED AWARDS DURING 2012

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)			All other Stock Awards: Number of Shares of Stock or Units(#)(3)	All other Option Awards: Number of Securities Underlying Options(#)(4)	Exercise or Base Price of Option Awards ($/SH)	Grant Date Fair Value of Restricted Stock and Option Awards(5)
		Threshold($)	Target($)	Maximum($)	Threshold(#)	Target(#)	Max.(#)				
Thomas Casey	10/5/2012	750,000	1,500,000	4,500,000	17,995	71,983	143,966	47,988	0		$ 2,922,857
Daniel Greenwell	1/2/2012	191,250	382,500	765,000				50,415	22,330	$ 24.03	$ 1,541,509
John D. Romano	6/26/2012	164,500	329,000	658,000	2,366	9,465	18,930	9,525	18,695	$ 25.90	$ 701,198
Michael J. Foster	6/26/2012	139,750	279,500	559,000	1,876	7,505	15,010	7,550	14,820	$ 25.90	$ 555,890
Willem Van Niekerk	10/26/2012	164,500	161,420	322,840	2,366	9,465	18,930	9,525	18,695	$ 20.64	$ 532,364
Robert C. Gibney	6/26/2012	0	0	0	1,876	7,505	15,010	7,550	14,820	$ 25.90	$ 555,890

(1) Amounts in these columns reflect the threshold, target and maximum payout levels for the 2012 annual incentive award. These amounts are prorated for Dr. Van Niekerk for his eligible earnings from June 15, 2012. Further details regarding these awards can be found in Annual Incentive Plan.

(2) Amounts in these columns reflect the threshold, target and maximum amount of performance-based shares that were granted to each executive during 2012. Performance-based shares are granted for a three-year performance period with the payout determined at the end of the three-year period based on our ROCE and TSR performance against our peers. Further details regarding these grants can be found in Long-term Incentive Program.

(3) Amounts in this column represent the number of time-based restricted shares granted to the NEOs under the equity program. These shares generally vest one-third each year on the anniversary of the grant date. The grant date fair value is the closing price of our common stock on the grant date.

(4) Amounts in this column represent the number of stock options granted to the NEOs under the equity program. These stock options generally vest one-third each year on the anniversary of the grant date and expire 10 years from their respective grant dates. The exercise price is the closing price of our common stock on the grant date.

(5) The amounts in this column have been calculated using the target grant amount for TSR performance-based shares multiplied by the grant date fair value as determined using a Monte-Carlo simulation plus the number of restricted shares and ROCE performance-based shares multiplied by the closing price of our common stock on the grant date plus the value of the stock options as determined using a Black-Scholes value for each grant. The Black-Scholes calculation is required for financial reporting and take into consideration factors including volatility, interest-rate assumptions, life of the award, and dividends. As such, the amounts in this column are based on assumptions and may not reflect the actual economic value a NEO would realize upon exercise.

OUTSTANDING EQUITY AWARDS AT DECEMBER 31, 2012

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, 2012.

Name(4)	Option Awards(1)					Stock Awards(2)				
	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)(3)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units, or Other Rights That

								Have Not Vested (#)	Have Not Vested ($)(3)
Thomas Casey	10/5/2011	0	0	0	0	276,930	5,053,973	94,255	1,720,154
	10/5/2012	0	0	0	0	47,988	875,781	71,983	1,313,690
Daniel Greenwell	1/2/2012	7,440	14,890	24.03	1/2/2022	33,610	613,383	0	0
John D. Romano	6/26/2012	0	18,695	25.90	6/26/2022	9,525	173,831	9,465	172,736
Michael J. Foster	6/26/2012	0	14,820	25.90	6/26/2022	7,550	137,788	7,505	136,966
Willem Van Niekerk	10/26/2012	0	18,695	20.64	10/26/2022	9,525	173,831	9,465	172,736

(1) Option awards generally vest at the rate of one-third per year on the anniversary of the grant date, except for the award for Dr. Van Niekerk, which will vest one-third per year beginning on June 26, 2013 and each of the next two years on the same date.

(2) Time-based share awards generally vest at the rate of one-third per year on the anniversary of the grant date, except for the award for Dr. Van Niekerk, which will vest one-third per year beginning on June 26, 2013 and each of the next two years on the same date. Performance-based share awards vest on the third anniversary of the grant date, except for the award for Dr. Van Niekerk, which will vest on June 26, 2015.

(3) Market value of shares is based on a stock price of $18.25, the closing price of our stock on December 31, 2012.

(4) Mr. Gibney is not shown in the chart above since he has no remaining outstanding restricted shares as of December 31, 2012.

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OPTION EXERCISES AND STOCK VESTED DURING 2012

The table below provides information regarding the vesting during 2012 of restricted share awards held by our named executive officers. None of our named executive officers exercised stock options during 2012.

	Option Awards		Stock Awards	
Name(1)	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)(2)	Value Realized on Vesting ($)(2)
Thomas Casey(3)	0	0	50,245	1,502,838
Daniel Greenwell	0	0	16,805	544,482
John D. Romano	0	0	141,560	4,629,897
Michael J. Foster	0	0	116,945	3,824,825
Robert C. Gibney(4)	0	0	81,415	2,586,847

(1) Dr. Van Niekerk did not exercise any stock options or have any restricted shares vest during 2012.
(2) Unless noted in the footnotes below, the number of shares acquired on vesting is all related to prior Tronox Inc. stock that vested upon the merger with Exxaro on June 15, 2012. The values realized on vesting are determined by multiplying the number of shares that vested by the fair market value on the applicable date. All share numbers have been adjusted for the 5-for-1 stock split that occurred July 20, 2012.
(3) Mr. Casey had 1,040 shares of restricted stock vest on March 31, 2012 and 35,740 shares of restricted stock vest on June 15, 2012, which were both granted to him in 2011 while he served as a non-employee director. In addition, he had 13,465 shares vest on October 5, 2012 at a price of $22.92 from his initial equity award in 2011.
(4) In addition to shares that vested on June 15, 2012 as referenced in footnote 2 above, Mr. Gibney also had 7,550 shares of restricted stock vest on September 29, 2012 at a price of $22.65.

Pension Benefits

Some of our U.S. executives are covered by the Tronox Inc. Retirement Plan. We maintain this Qualified Plan and related trust, which were frozen in April of 2009, for all U.S. employees.

As part of Tronox Incorporated s separation from Kerr-McGee, it established the Retirement Plan and the trusts related to our Retirement Plan 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 Plan.

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).

PENSION BENEFITS AS OF DECEMBER 31, 2012

Name(a)(1)	Plan Name(b)	Number of Years Credited Service(c)	Present Value of Accumulated Benefit(d)($)(2)
John D. Romano	Tronox Incorporated Retirement Plan	20.167	553,451
Michael J. Foster	Tronox Incorporated Retirement Plan	6.0	139,893
Robert C. Gibney	Tronox Incorporated Retirement Plan	17.667	485,775

(1) Messrs. Casey and Greenwell and Dr. Van Niekerk are not participants in the Tronox Incorporated Retirement Plan.
(2)

The present value of accumulated benefits for the Tronox Incorporated Retirement Plan as of December 31, 2012 was determined using the estimated FAS 87 assumptions in effect on December 31, 2012. The FAS 87 discount rate was 3.75%.

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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 Retirement Plan if the named executive had retired during the last fiscal year. The above present values assume that the executive commences his accrued benefits at his earliest unreduced age under the plan provisions in effect at December 31, 2012.

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. Upon retirement, benefits are payable in a lump-sum or various annuity forms. Tronox did not pay any retirement benefits in the fiscal year ended December 31, 2012.

Nonqualified Deferred Compensation

All U.S. employees, including our named executive officers, are eligible to participate in our Savings Plan. In addition, we offer a nonqualified deferred compensation plan, known as the Savings Restoration Plan. This plan allows certain employees the ability to defer up to 20% of their base salary and/or their annual incentive award. This plan also provides company match and profit sharing credits for compensation in excess of the IRS maximum limit. The company match for 2012 was 100% on the first 3% that an employee contributed to the Savings Plan and 50% up to the next 3% that the employee contributed. The profit sharing match for 2012 was 7 $^{1}/_{2}$% for all earnings. For 2013, the company match has been increased to 100% on all employee contributions up to 6% of base salary and the profit sharing has been decreased to 6%. All employees hired before January 1, 2012 have immediate vesting into both the company match and the profit sharing, but for those hired after January 1, 2012 there is a three year vesting for the profit sharing match. Distributions from the plan for employer contributions will be in the form of a lump sum and paid six months following separation from service. All payments from these plans are made from the general assets of the company and no special fund or trust has been established for this money.

Employees who elect to defer any of their base salary or annual incentive award have their funds contributed into the Savings Restoration Plan. Employees elect the investment options for this money from the range of investment choices in the Savings Plan, including money market funds, equity funds, and bond funds. Because this is an unfunded plan, the investment elections are used only for the purpose of crediting earnings and determining the future benefit to be received from the plan. Distributions from the plan for employee contributions will be made either as a lump sum at a specified date in the future or upon separation from service.

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NONQUALIFIED DEFERRED COMPENSATION FOR 2012

Name(a)(1)	Executive Contributions in Last Fiscal Year (b)($)(2)	Registrant Contributions in Last Fiscal Year (c)($)	Aggregate Earnings in Last Fiscal Year (d)($)	Aggregate Withdrawals/ Distributions (e)($)	Aggregate Balance at Last Fiscal Year-End (f)($)
Thomas Casey	0	337,395	29,978	0	488,026
Daniel Greenwell	0	35,978	491	0	36,469
John D. Romano	0	66,610	8,045	0	158,994
Michael J. Foster	0	47,565	10,523	0	124,552
Robert C. Gibney	0	31,825	8,410	0	92,736

(1) Dr. Van Niekerk did not participate in the Savings Restoration Plan.

(2) None of the executives elected to defer any of their base salary or annual incentive award and therefore have no employee contributions into the plan.

Employment Agreements

Thomas Casey

Effective October 5, 2011, Tronox 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 and Mr. Casey entered into the Casey Offer Letter. Pursuant to the Casey Offer Letter, Tronox and Mr. Casey agreed to formalize the terms of Mr. Casey s employment and intend to enter into the Casey Employment Agreement. Accordingly, Tronox and Mr. Casey agreed to the terms of the Casey Employment Agreement and the HRCC approved the terms of the Casey Employment Agreement on April 11, 2012, incorporating the terms of the Casey Offer Letter and setting forth the terms of Mr. Casey s employment. The Casey Employment Agreement provides for Mr. Casey to serve as the Chief Executive Officer and Chairman of the board of directors and contemplates an initial three-year term of employment, with automatic successive one-year renewal periods, unless terminated by either party upon at least 180 days advance notice. In addition, the Casey Employment Agreement provides for an annual base salary of no less than $1,000,000, the entitlement to customary employee benefits, and an annual target bonus opportunity of 150% of base salary with a maximum annual bonus opportunity equal to three times target bonus. The Casey Employment Agreement also provides Mr. Casey with a pro rata bonus for fiscal year 2011. In connection with Mr. Casey s commencement of employment, 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 if his employment is terminated for Cause prior to the first anniversary of his employment. 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 and an initial equity award consisting of 26,930 shares of restricted stock vesting as follows: (i) 30% of such grant will vest in equal installments on each of the first three anniversaries of the date of grant, and (ii) 70% of such grant will be eligible to vest based upon the achievement of the following performance criteria: (a) 50% of such award will vest based upon total shareholder return for the three-year period beginning October 1, 2011 and ending September 30, 2014 and (b) 50% of such award will vest based upon return on invested capital over the three-year period beginning October 1, 2011 and ending September 30, 2014. In addition, the Casey Employment Agreement provides for Mr. Casey to receive an annual RSU or restricted share grant (or another form of equity award with an equivalent value) with a value at grant equal to $3.0 million. On February 22, 2013, the Casey Employment Agreement was amended to change the date of Mr. Casey s annual equity grant from the first anniversary of the effective date of his agreement to the earlier of (x) the date on which Tronox makes grants to other senior executives and (y) the last business day of March of the applicable year. The Casey Employment Agreement also provides that subsequent RSU or restricted share 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 without Cause or he terminates employment for Good Reason prior to a Qualified Change in Control (which generally means a Change in Control as defined under the 2010 Management Equity Incentive Plan, excluding the Exxaro Transaction), subject to the execution of a

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release of claims, 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 over the 12 month period following his termination of employment; (iii) accelerated vesting of all equity awards subject to time-based vesting conditions; (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 termination of employment and (v) continued COBRA coverage for 18 months. In addition, in the event Mr. Casey s employment is terminated without Cause or for Good Reason following a Qualified Change in Control, Mr. Casey will be entitled to the same benefits as described above, except that he will be entitled to three times the sum of his base salary and annual target bonus under subpart (ii) above. In the event Mr. Casey s employment is terminated due to his death or Disability, he will be entitled to (I) his base salary through the date of termination plus a pro rata bonus for the year of termination, (II) his sign-on grant (50,000 shares of restricted stock) will be subject to pro rata vesting based on the number of months he was employed divided by 36 months, subject to minimum vesting of 25% of such award, and (III) continued COBRA coverage for 18 months.

In addition, the Casey Employment Agreement provides for (i) general restrictions on the disclosure of confidential information, (ii) an inventions assignment covenant, (iii) an agreement that during his employment and for a period of 12 months thereafter he will not compete with Tronox or solicit Tronox s employees, and (iv) a mutual agreement between Mr. Casey and Tronox that during his employment and for a period of two years thereafter he will not disparage Tronox or its directors and executive officers, and Tronox, as well as its employees, executive officers and members of the board of directors will not disparage Mr. Casey.

Daniel Greenwell

Effective January 2, 2012, Tronox hired Daniel Greenwell as its Chief Financial Officer and entered into an employment agreement which set forth the terms of Mr. Greenwell s employment. Mr. Greenwell s employment agreement specified an initial three-year term of employment, with automatic successive one-year renewal periods, unless terminated by either party upon at least 90 days advance notice. In addition, Mr. Greenwell s employment agreement provided for an initial annual base salary of no less than $440,000, employee benefits consistent with those of other senior executives, and an annual target bonus opportunity of 75% of base salary with a maximum annual bonus opportunity equal to 150% of base salary. Mr. Greenwell s employment agreement also provided Mr. Greenwell with reimbursement for reasonable relocation and moving expenses associated with the relocation from Mr. Greenwell s current primary residence to a residence in the Stamford, Connecticut area as well as temporary living of up to $5,000 month through September 1, 2013 and reasonable travel and commuting expenses through September 1, 2013. Mr. Greenwell was also granted a sign-on equity grant of 7,333 shares of restricted stock and an initial equity award consisting of (1) 2,750 shares of restricted stock which will vest in equal installments on each of the first three anniversaries of the date of grant and (2) 4,466 non-qualified stock options at an exercise price of $120.00 per share (pre-split) . In addition, Mr. Greenwell s employment agreement provided for Mr. Greenwell to receive an annual equity award with a value at grant equal to two times his base salary.

On February 9, 2013, Mr. Greenwell entered into a separation agreement whereby he resigned as Chief Financial Officer, effective March 31, 2013. Pursuant to the terms of the separation agreement, he will receive a lump sum cash payment equal to $1,338,750 and immediate accelerated vesting of 25,208 shares of restricted stock and 11,167 options. In addition, Mr Greenwell will also receive continued coverage under Tronox Limited s benefit plans until September 30, 2014.

In addition, Mr. Greenwell will continue to be subject to the restrictive covenants set forth in his employment agreement including (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 and for a period of 12 months thereafter the executive will not compete with Tronox or solicit Tronox s employees, and

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(iv) a mutual agreement between the executive and Tronox that during the executive s employment with Tronox and for a period of two years thereafter the executive will not disparage Tronox or its directors and executive officers, and Tronox, as well as its employees, executive officers and members of the board of directors will not disparage the executive.

John Romano, Michael J. Foster and Robert C. Gibney

On January 1, 2011, Tronox entered into employment agreements with all of its then named executive officers (the Employment Agreements). These Employment Agreements replaced their previous employment agreements. The Employment Agreements provide for the continued employment of 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 upon an executive s death, Disability, or termination with or without Cause.

The Employment Agreements provide for an initial annual base salary of $360,000, $330,000, and $300,000 for each of Messrs. 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 65%, 50% and 50% of base salary for each of Messrs. Romano, Foster and Gibney, respectively, for the 2011 fiscal year, and will be set by Tronox 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, and to participate in such medical, dental and life insurance, retirement and other plans as Tronox may have or establish from time to time on terms and conditions applicable to other senior executives of Tronox generally.

The Employment Agreements also provide for the grant of restricted shares (the Emergence Award) of 42,467; 35,081; and 22,147 shares to each of Messrs. Romano, Foster and Gibney, respectively, which will vest in twelve equal installments on the last day of each calendar quarter during the three-year period following the company s emergence from Chapter 11. 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 Tronox Limited Equity Plan as determined by the HRCC.

If an executive s employment is terminated by reason of death or Disability, Tronox 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 for Cause, by the executive without Good Reason, or as a result of the expiration of the Employment Term, Tronox will pay the executive all accrued benefits. If an executive s employment is terminated by Tronox without Cause or by the executive with Good Reason, Tronox 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 one times 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 one year period 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.

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If an executive is terminated by Tronox, 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 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 two times 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 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 and for a period of 12 months thereafter the executive will not compete with Tronox or solicit Tronox s employees, and (iv) a mutual agreement between the executive and Tronox that during the executive s employment with Tronox and for a period of two years thereafter the executive will not disparage Tronox or its directors and executive officers, and Tronox, as well as its employees, executive officers and members of the board of directors will not disparage the executive.

Effective September 30, 2012, a separation agreement was entered into with Mr. Gibney. In accordance with its terms, he will receive severance in the amount of $650,000 payable bi-weekly over the 365 days following his separation date. In addition, 7,500 shares of restricted stock vested upon his departure while his other unvested awards were cancelled. Following his departure, Mr. Gibney will continue to be subject to the restrictive covenants set forth in his employment agreement as described above.

Willem Van Niekerk

Effective June 15, 2012, Tronox entered into an employment agreement with Willem Van Niekerk to serve as its Senior Vice President, Strategic Planning & Business Development. Dr. Van Niekerk s agreement specifies an initial three-year term of employment, with automatic successive one-year renewal periods, unless terminated by either party upon at least 90 days advance notice. In addition, his agreement provides for an initial annual base salary of no less than $470,000, employee benefits consistent with those of other senior executives, and an annual target bonus opportunity of 70% of base salary with a maximum annual bonus opportunity equal to 140% of base salary. Dr. Van Niekerk s agreement also provides Dr. Van Niekerk with reimbursement for relocation services and related expenses associated with the relocation from Dr. Van Niekerk s current primary residence to a residence in the Stamford, Connecticut area as well as a housing allowance of $5,000 per month. In addition, Dr. Van Niekerk s agreement provides for Dr. Van Niekerk to receive an annual equity award with a value at grant equal to 150% of his base salary.

In the event Dr. Van Niekerk terminates employment for Good Reason prior to a Change in Control (which includes the Exxaro transaction) or after the 12-month protection period following a Change in Control expires, subject to the execution of a release of claims, 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 one times the sum of his base salary and annual target bonus, payable in a lump sum; and (iii) continued COBRA coverage for 12 months. In addition, in the event Dr. Van Niekerk s employment is terminated for Good Reason on or within 12 months following a Change in Control (e.g., prior to the 12-month anniversary of the Closing of the Exxaro transaction or June 15, 2013), Dr. Van Niekerk will be entitled to the same benefits as described above, except that he will be entitled to two times the sum of his base salary and annual target bonus under subpart (ii) above and 18 months of COBRA coverage under subpart (iii) above. In the event Dr. Van Niekerk s employment is terminated due to his death or Disability, he will be entitled to (I) his base salary through the date of termination plus a pro rata bonus for the year of termination and (II) continued COBRA coverage for 12 months.

In addition, Dr. Van Niekerk s agreement provides 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 and for a period of 12 months thereafter the executive will not compete with Tronox or solicit Tronox s employees, and (iv) a mutual agreement between the executive and Tronox that during the

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executive s employment with Tronox and for a period of two years thereafter the executive will not disparage Tronox or its directors and executive officers, and Tronox, as well as its employees, executive officers and members of the board of directors will not disparage the executive.

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) award agreements issued under the Tronox Limited 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 (for the CEO) or two (2) times (for all other NEOs) 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 bonus for the executive officer in the year of termination;

(4) any accrued and unused sick and vacation pay;

(5) 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

(6) immediate 100% vesting of all outstanding stock options, stock appreciation rights, performance awards and restricted shares 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 (for the CEO) or one (1) times (for all other NEOs) 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 bonus, if any, to be paid for the year in which the date of termination occurs;

(4) any accrued and unused sick and vacation pay; and

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(5) 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 (for the CEO) or 12 months (for other NEOs) 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 actual 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.

Except for retirement, certain 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 (for the CEO) or 12 months (for Dr. Van Niekerk) following the date of termination or the commencement of comparable coverage by the executive officer with a subsequent employer.

Retirement Plans

Executive officers who are eligible under our U.S. Pension Plan will receive benefits upon their termination and achievement of certain age and service requirements. Executive officers could also be eligible for early enhanced retirement benefits in the event that their position is eliminated involuntarily or due to death, Disability or retirement. See the discussion under Retirement and Other Benefits for a summary of the U.S. Retirement Plans.

Long-Term Incentives

The following definitions apply to the standard 2012 award agreements for the annual grants of equity awards for executives:

(1) If the executive officer is involuntarily terminated without Cause or for Good Reason, all unvested stock options and time-based restricted shares will vest immediately. All performance-based restricted shares will be forfeited.

(2) If the executive officer is terminated upon a Change in Control, all unvested stock options and all restricted shares will vest immediately, provided the executive is continuously employed by Tronox or its subsidiaries through the date of such Change in Control.

(3) If the executive officer is terminated by reason of death or Disability, all unvested stock options and time-based restricted shares will vest immediately. All performance-based restricted shares will be forfeited.

(4) If the executive officer terminated for any other reason, all unvested shares will be forfeited upon termination.

For Mr. Casey, his 2011 equity grants vest as follows:

(1) If the executive officer is involuntarily terminated without Cause or for Good Reason, all time-based restricted shares will vest immediately. All performance-based restricted shares will have the performance period amended to end on the date of termination and each award will vest immediately if the Committee determines that the applicable performance criteria for the amended performance period has been achieved.

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(2) If the executive officer is terminated upon a Change in Control, all time-based restricted shares will vest immediately. All performance-based restricted shares will have the performance period amended to end on the date of termination and each award will vest immediately if the Committee determines that the applicable performance criteria for the amended performance period has been achieved.

(3) If the executive officer is terminated by reason of death or Disability, a percentage of the sign-on equity award shall vest, which percentage shall equal the greater of 25% and the percentage equal to the number of calendar months the executive has been employed commencing October 2011 divided by 36.

(4) If the executive officer terminated for any other reason, all unvested shares will be forfeited upon termination.

Calculation of Total Amounts Payable upon Termination or Change in Control

The following table provides the amount of compensation payable to each named executive officer upon various termination reasons. Except as noted, the amounts shown below assume that such termination was effective as of December 31, 2012, 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. The actual amounts to be paid to each executive officer can only be determined at the time of that named executive officer s termination. Mr. Gibney was not serving as an executive officer as of December 31, 2012. The benefits that were payable to Mr. Gibney upon his termination of employment are described in Separation Agreement.

ESTIMATED POST-TERMINATION PAYMENTS AND BENEFITS AS OF DECEMBER 31, 2012(1)

Name	Type of Payment of Benefit	Voluntary Resignation ($)	Death ($)	Disability ($)	Involuntary Not for Cause Termination ($)	Termination Resulting from Change in Control ($)
Thomas Casey	**Cash Compensation**					
	Cash Severance(2)	0	0	0	5,000,000	7,500,000
	Accrued Sick & Vacation Pay(3)	228,846	315,385	315,385	315,385	315,385
	Accrued Bonus(4)	0	1,500,000	1,500,000	1,500,000	1,500,000
	Equity					
	Restricted Shares(5)	0	2,778,344	2,778,344	8,963,598	8,963,598
	Medical Benefits(6)	0	29,842	29,842	29,842	29,842
	Total	**228,846**	**4,623,571**	**4,623,571**	**15,808,825**	**18,308,825**
Daniel Greenwell(7)	**Cash Compensation**					
	Cash Severance(2)	0	0	0	892,500	1,785,000
	Accrued Sick & Vacation Pay(3)	79,462	117,692	117,692	117,692	117,692
	Accrued Bonus(4)	0	382,500	382,500	382,500	382,500
	Equity					
	Restricted Shares(8)	0	613,383	613,383	613,383	613,383
	Stock Options(9)	0	0	0	0	0
	Medical Benefits(6)	0	29,552	29,552	29,552	44,327
	Total	**79,462**	**1,143,127**	**1,143,127**	**2,035,627**	**2,942,902**
John D. Romano	**Cash Compensation**					
	Cash Severance(2)	0	0	0	799,000	1,598,000
	Accrued Sick & Vacation Pay(3)	77,731	500,731	500,731	500,731	500,731
	Accrued Bonus(4)	0	329,000	329,000	329,000	329,000

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Name	Type of Payment of Benefit	Voluntary Resignation ($)	Death ($)	Disability ($)	Involuntary Not for Cause Termination ($)	Termination Resulting from Change in Control ($)
	Equity					
	Restricted Shares(8)	0	173,831	173,831	173,831	347,567
	Stock Options(9)	0	0	0	0	0
	Pension Plan(10)	250,058	250,058	250,058	250,058	250,058
	Medical Benefits(6)	0	0	0	29,552	44,327