UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)
☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2017

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to ___________

1-35573
(Commission file number)

TRONOX LIMITED

(ACN 153 348 111)
(Exact Name of Registrant as Specified in its Charter) extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Western Australia, Australia	**98-1026700**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification Number)**
263 Tresser Boulevard, Suite 1100 **Stamford, Connecticut 06901**	**Lot 22, Mason Road,** **Kwinana Beach, WA, 6167** **Australia**

Registrant's telephone number, including area code: (203) 705-3800

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate by check mark whether the Registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☒ No ☐

As of October 27, 2017, the Registrant had 91,052,581 Class A ordinary shares and 28,729,280 Class B ordinary shares outstanding.

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Item 1. Financial Statements (Unaudited)

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TRONOX LIMITED
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(Millions of U.S. dollars, except share and per share data)

	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Net sales	$ 435	$ 339	$ 1,234	$ 957
Cost of goods sold	329	291	971	877
Gross profit	106	48	263	80
Selling, general and administrative expenses	(55)	(47)	(186)	(135)
Restructuring income (expense)	—	(1)	1	(2)
Income (loss) from operations	51	—	78	(57)
Interest and debt expense, net	(47)	(46)	(140)	(138)
Gain (loss) on extinguishment of debt	(28)	—	(28)	4
Other income (expense), net	12	(10)	5	(22)
Income (loss) from continuing operations before income taxes	(12)	(56)	(85)	(213)
Income tax provision	(13)	(6)	(10)	(25)
Net income (loss) from continuing operations	(25)	(62)	(95)	(238)
Income (loss) from discontinued operations, net of tax (See Note 2)	(216)	23	(179)	55
Net income (loss)	(241)	(39)	(274)	(183)
Net income (loss) attributable to noncontrolling interest	6	(2)	11	(1)
Net income (loss) attributable to Tronox Limited	$ (247)	$ (37)	$ (285)	$ (182)
Net income (loss) per share, basic and diluted:				
Continuing operations	$ (0.26)	$ (0.53)	$ (0.89)	$ (2.04)
Discontinued operations	(1.81)	0.20	(1.51)	0.47
Net income (loss) per share, basic and diluted	**$ (2.07)**	**$ (0.33)**	**$ (2.40)**	**$ (1.57)**
Weighted average shares outstanding, basic and diluted (in thousands)	119,405	116,219	118,908	116,108

See accompanying notes to unaudited condensed consolidated financial statements.

TRONOX LIMITED
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)
(Millions of U.S. dollars)

	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Net income (loss)	$ (241)	$ (39)	$ (274)	$ (183)
Other comprehensive income:				
Foreign currency translation adjustments	(36)	69	22	122
Pension and postretirement plans:				
Actuarial losses, (no tax impact; See Note 3)	—	(21)	—	(21)
Amortization of unrecognized actuarial losses, net of taxes of less than $1 million in each of the three and nine months ended September 30, 2017 and 2016	1	(1)	2	—
Impact of transfer of Alkali pension obligation upon sale (no tax impact)	5	—	5	—
Unrealized gains (losses) on derivative financial instruments (no tax impact; see Note 3)	—	(1)	(3)	1
Other comprehensive income (loss)	(30)	46	26	102
Total comprehensive income (loss)	(271)	7	(248)	(81)
Comprehensive income (loss) attributable to noncontrolling interest:				
Net income (loss)	6	(2)	11	(1)
Foreign currency translation adjustments	(10)	18	3	31
Comprehensive income (loss) attributable to noncontrolling interest	(4)	16	14	30
Comprehensive income (loss) attributable to Tronox Limited	$ (267)	$ (9)	$ (262)	$ (111)

See accompanying notes to unaudited condensed consolidated financial statements.

TRONOX LIMITED
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(Millions of U.S. dollars, except share and per share data)

	September 30, 2017	December 31, 2016
ASSETS		
Current Assets		
Cash and cash equivalents	$ 1,058	$ 248
Restricted cash	653	3
Accounts receivable, net of allowance for doubtful accounts	309	278
Inventories, net	459	499
Prepaid and other assets	44	28
Income taxes receivable	1	11
Total assets of discontinued operations	—	1,671
Total current assets	2,524	2,738
Noncurrent Assets		
Property, plant and equipment, net	1,069	1,092
Mineral leaseholds, net	859	877
Intangible assets, net	203	223
Inventories, net	14	14
Other long-term assets	22	20
Total assets	$ 4,691	$ 4,964
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 155	$ 136
Accrued liabilities	131	150
Short-term debt	—	150
Long-term debt due within one year	11	16
Income taxes payable	2	1
Total liabilities of discontinued operations	—	111
Total current liabilities	299	564
Noncurrent Liabilities		
Long-term debt, net	3,129	2,888
Pension and postretirement healthcare benefits	100	114
Asset retirement obligations	78	73
Long-term deferred tax liabilities	161	151
Other long-term liabilities	18	21
Total liabilities	3,785	3,811
Commitments and Contingencies		
Shareholders' Equity		
Tronox Limited Class A ordinary shares, par value $0.01 — 68,767,566 shares issued and 68,591,094 shares outstanding at September 30, 2017 and 65,998,306 shares issued and 65,165,672 shares outstanding at December 31, 2016	1	1
Tronox Limited Class B ordinary shares, par value $0.01 — 51,154,280 shares issued and outstanding at September 30, 2017 and December 31, 2016	—	—
Capital in excess of par value	1,542	1,524
Accumulated deficit	(321)	(19)
Accumulated other comprehensive loss	(474)	(497)
Total Tronox Limited shareholders' equity	748	1,009
Noncontrolling interest	158	144
Total equity	906	1,153
Total liabilities and equity	$ 4,691	$ 4,964

See accompanying notes to unaudited condensed consolidated financial statements.

TRONOX LIMITED
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Millions of U.S. dollars)

	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Cash Flows from Operating Activities:		
Net loss	$ (274)	$ (183)
Income (loss) from discontinued operations, net of tax	(179)	55
Net income (loss) from continuing operations	$ (95)	$ (238)
Adjustments to reconcile net loss from continuing operations to net cash provided by operating activities, continuing operations:		
Depreciation, depletion and amortization	136	131
Deferred income taxes	8	(5)
Share-based compensation expense	26	18
Amortization of deferred debt issuance costs and discount on debt	9	8
Pension and postretirement healthcare benefit expense	2	—
(Gain) loss on extinguishment of debt	28	(4)
Other, net	22	35
Contributions to employee pension and postretirement plans	(18)	(15)
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable, net	(29)	(3)
(Increase) decrease in inventories, net	48	94
(Increase) decrease in prepaid and other assets	(16)	(3)
Increase (decrease) in accounts payable and accrued liabilities	(27)	(33)
Increase (decrease) in taxes payable	—	28
Cash provided by operating activities, continuing operations	94	13
Cash Flows from Investing Activities:		
Capital expenditures	(63)	(59)
Debt proceeds restricted for Cristal acquisition	(650)	—
Proceeds from the sale of business	1,325	—
Proceeds from the sale of assets	—	1
Cash provided by (used in) investing activities, continuing operations	612	(58)
Cash Flows from Financing Activities:		
Repayments of long-term debt	(2,342)	(27)
Repayments of short-term debt	(150)	—
Proceeds from long-term debt	2,589	—
Debt issuance costs	(36)	—
Call premium paid	(14)	—
Proceeds from options and warrants	1	—
Dividends paid	(17)	(40)
Restricted stock and performance-based shares settled in cash for taxes	(11)	(1)
Cash provided by (used in) financing activities, continuing operations	20	(68)
Discontinued Operations:		
Cash provided by operating activities	107	112
Cash used in investing activities	(25)	(29)
Cash used in financing activities	—	—
Net cash flows provided by discontinued operations	82	83
Effects of exchange rate changes on cash and cash equivalents	2	3
Net increase (decrease) in cash and cash equivalents	810	(27)
Cash and cash equivalents at beginning of period	248	229
Cash and cash equivalents at end of period, continuing operations	$ 1,058	$ 202

See accompanying notes to unaudited condensed consolidated financial statements.

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TRONOX LIMITED
CONDENSED CONSOLIDATED STATEMENT OF EQUITY
(Unaudited)
(Millions of U.S. dollars)

	Tronox Limited Class A Ordinary Shares	Tronox Limited Class B Ordinary Shares	Capital in Excess of par Value	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Tronox Limited Shareholders' Equity	Non-controlling Interest	Total Equity
Balance at January 1, 2017	$ 1	$ —	$ 1,524	$ (19)	$ (497)	$ 1,009	$ 144	$ 1,153
Net income (loss)	—	—	—	(285)	—	(285)	11	(274)
Other comprehensive income	—	—	—	—	23	23	3	26
Share-based compensation	—	—	28	—	—	28	—	28
Shares cancelled	—	—	(11)	—	—	(11)	—	(11)
Shares and warrants exercised	—	—	1	—		1		1
Class A and Class B share dividends	—	—	—	(17)	—	(17)	—	(17)
Balance at September 30, 2017	$ 1	—	1,542	(321)	(474)	748	158	906

See accompanying notes to unaudited condensed consolidated financial statements.

TRONOX LIMITED
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Millions of U.S. dollars, except share, per share and metric tons data or unless otherwise noted)

1. The Company

Tronox Limited and its subsidiaries (collectively referred to as "Tronox Limited," "we," "us," or "our") is a public limited company registered under the laws of the State of Western Australia. We are a global leader with operations in North America, Europe, South Africa and the Asia-Pacific region in the production and marketing of titanium bearing mineral sands and titanium dioxide ("TiO_2") pigment. We classify our operations into one reporting segment: *TiO_2*: consisting of products that are critical components of everyday applications such as paint and other coatings, plastics, paper and other uses and our related mineral sands product streams include titanium feedstock, zircon and pig iron.

On February 21, 2017, Tronox Limited, The National Titanium Dioxide Company Ltd., a limited company organized under the laws of the Kingdom of Saudi Arabia ("Cristal"), and Cristal Inorganic Chemicals Netherlands Coöperatief W.A., a cooperative organized under the laws of the Netherlands and a wholly owned subsidiary of Cristal ("Seller"), entered into a Transaction Agreement (the "Transaction Agreement"), pursuant to which we agreed to acquire Cristal's titanium dioxide business for $1.673 billion in cash, subject to a working capital adjustment at closing (the "Cash Consideration"), plus 37,580,000 Class A ordinary shares ("Class A Shares"), par value $0.01 per share, of Tronox Limited (the "Cristal Transaction"). Following the closing of the Cristal Transaction, the Seller will own approximately 24% of the outstanding ordinary shares (including both Class A and Class B) of Tronox Limited. The Cristal Transaction is conditioned on us obtaining financing sufficient to fund the Cash Consideration, and the Transaction Agreement provides that we must pay to Cristal a termination fee of $100 million if all conditions to closing, other than the financing condition, have been satisfied and the Transaction Agreement is terminated because closing of the Cristal Transaction has not occurred by May 21, 2018. As a result of the refinancing (See Note 11 - Debt), we expect to finance the Cristal Transaction with our cash on hand inclusive of restricted cash and liquidity from our asset-based syndicated revolving credit facility. The Cristal Transaction is also conditioned upon the receipt of various regulatory approvals, including antitrust clearance in numerous jurisdictions. On April 13, 2017, the United States Federal Trade Commission ("FTC") issued a request for additional information ("Second Request") to us and Cristal in connection with its filing under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and Tronox has substantially complied with the Second Request. The Cristal Transaction, which has been unanimously approved by our board of directors (the "Board"), is expected to close by the first quarter of 2018, subject to regulatory approvals and satisfaction of customary closing conditions. On October 2, 2017, at a special meeting of shareholders of the Company held pursuant to the Transaction Agreement, the Company's shareholders approved a resolution to issue 37,580,000 Class A Shares to the Seller in connection with the acquisition of Cristal's TiO_2 business, and the resulting acquisition of interests in such Class A Shares by the Seller and certain other persons and entities, at the closing of such acquisition.

On September 1, 2017, we completed the previously announced sale of our wholly owned subsidiary Tronox Alkali Corporation ("Alkali") to Genesis Energy, L.P. for proceeds of $1.325 billion in cash, subject to a customary post-closing working capital adjustment (the "Sale"). We have agreed unconditionally to guarantee the indemnification and performance of the obligations of Tronox U.S. Holdings Inc. ("Tronox Holdings"), a subsidiary of Tronox Limited, under the stock purchase agreement ("Purchase Agreement"). Both Tronox Holdings and Genesis Energy, L.P. have agreed, following the closing, to indemnify the other party for losses arising from certain breaches of the Purchase Agreement and for certain other liabilities, subject to certain limitations.

During the three months ended September 30, 2017, we recognized a pre-tax loss of $233 million on the Alkali disposal. For all periods presented, sales, costs and expenses and income taxes attributable to Alkali together with the loss on disposal have been aggregated in a single caption entitled "Income (loss) from discontinued operations, net of tax" in our Condensed Consolidated Statement of Operations. Included in the calculation of the loss noted above, were approximately $21 million of transaction fees related to the sale of Alkali. For cash flow presentation purposes, these transaction costs are included in "Cash provided by operating activities, continuing operations" on the Condensed Consolidated Statements of Cash Flows. See Note 2 – Discontinued Operations for additional information.

In 2012, our Class B ordinary shares ("Class B Shares") were issued to Exxaro Resources Limited ("Exxaro") and one of its subsidiaries in consideration for 74% of Exxaro's South African mineral sands business. Exxaro has agreed not to acquire any voting shares of Tronox Limited if, following such acquisition, Exxaro will have a voting interest in Tronox Limited of 50% or more unless Exxaro brings any proposal to make such an acquisition to the Board on a confidential basis. In the event an agreement regarding the proposal is not reached, Exxaro is permitted to make a takeover offer for all the shares of Tronox Limited not held by affiliates of Exxaro, subject to certain non-waivable conditions. At September 30, 2017 and December 31, 2016, Exxaro held approximately 43% and 44%, respectively, of the voting securities of Tronox Limited. See Note 18 for additional information regarding Exxaro transactions. On March 8, 2017, Exxaro announced its intention to begin pursuing a path to monetize its ownership stake in Tronox over time. On October 10, 2017, Exxaro sold 22,425,000 Class A ordinary shares in an underwritten registered offering (the "Exxaro Share Transaction"). Subsequent to the Exxaro Shares Transaction, Exxaro held approximately 24% of the Company's voting securities. Presently, Exxaro intends to sell the remainder of its Tronox shares in a staged process over time pursuant to the existing registration statement, subject to market conditions. Exxaro's sale of Class A ordinary shares does not impact their 26% ownership interest in each of our Tronox KZN Sands (Pty) Ltd. and Tronox Mineral Sands (Pty) Ltd subsidiaries.

Basis of Presentation

The accompanying condensed consolidated financial statements are unaudited, and have been prepared pursuant to the rules and regulations of the U. S. Securities and Exchange Commission regarding interim financial reporting. Accordingly, they do not include all the information and footnotes required by accounting principles generally accepted in the United States of America ("U.S. GAAP") for complete financial statements, and should be read in conjunction with the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2016. The Condensed Consolidated Balance Sheet as of December 31, 2016 was derived from audited financial statements, but does not include all disclosures required by U.S. GAAP.

In management's opinion, the accompanying unaudited condensed consolidated financial statements reflect all adjustments, which are of a normal recurring nature, considered necessary for a fair statement. Our unaudited condensed consolidated financial statements include the accounts of all majority-owned subsidiary companies. All intercompany balances and transactions have been eliminated in consolidation. Certain prior period amounts have been reclassified to conform to the manner and presentation in the current period. As a result of the Alkali disposition, the results of Alkali have been reclassified as discontinued operations for all periods presented. See Note 2 – Discontinued Operations for additional information.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. It is at least reasonably possible that the effect on the financial statements of a change in estimate due to one or more future confirming events could have a material effect on the financial statements.

Revision of Previously Issued Consolidated Financial Statements

During the three months ended March 31, 2017, we identified a misstatement in our selling, general, and administrative expense for certain prior periods related to a liability resulting from a non-timely filing with a statutory authority. The aggregate misstatement is $11 million, which impacts our previously issued consolidated statements of operations, comprehensive loss, balance sheets and cash flows as of and for the years ended December 31, 2015 and 2016, and the unaudited condensed consolidated financial statements for the third and fourth quarters and corresponding year-to-date periods of 2015, and each quarter and corresponding year-to-date periods of 2016.

In accordance with Staff Accounting Bulletin ("SAB") No. 99, *Materiality*, and SAB No. 108, *Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements*, management evaluated the materiality of the misstatement from qualitative and quantitative perspectives, and concluded that the misstatement was not material to our previously issued annual and interim financial statements. The cumulative amount of the prior period adjustments would have been material to our current statement of operations and comprehensive loss had we made the correction in the three months ended March 31, 2017 and accordingly we will revise our previously issued financial statements to correct this misstatement. We also corrected the timing of other previously recorded immaterial out-of-period adjustments and reflected them in the revised prior period financial statements. The previously recorded immaterial out-of-period adjustments include a $6 million decrease to cost of goods sold due to an overstated depreciation expense and a $7 million increase to cost of goods sold related to royalty tax both originating in 2013 and previously recorded as out-of-period corrections in 2014; a $5 million decrease to cost of goods sold that originated in 2012 and was previously recorded as an out-of-period correction in 2014 due to overstated depletion expense; and other miscellaneous immaterial corrections. Periods not presented herein will be revised, as applicable, in future filings.

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The effects on our unaudited condensed consolidated financial statements are as follows:

Unaudited Condensed Consolidated Statement of Operations

	Three Months Ended September 30, 2016			Nine Months Ended September 30, 2016		
	As Reported [(1)]	Adjustment	Revised	As Reported [(1)]	Adjustment	Revised
Net sales	$ 339	$ —	$ 339	$ 957	$ —	$ 957
Cost of goods sold	290	1	291	877	—	877
Gross profit	49	(1)	48	80	—	80
Selling, general and administrative expenses	(47)	—	(47)	(131)	(4)	(135)
Income (loss) from operations	1	(1)	—	(53)	(4)	(57)
Other income (expense), net	(13)	3	(10)	(22)	—	(22)
Income (loss) from continuing operations before income taxes	(58)	2	(56)	(209)	(4)	(213)
Net income (loss) from continuing operations	(64)	2	(62)	(235)	(3)	(238)
Income (loss) from discontinued operations, net of tax	22	1	23	53	2	55
Net loss attributable to Tronox Limited	(40)	3	(37)	(181)	(1)	(182)
Net income (loss) per share from continuing operations, basic and diluted	(0.54)	0.01	(0.53)	(2.02)	(0.02)	(2.04)
Net income (loss) per share from discontinued operations, basic and diluted	0.19	0.01	0.20	0.46	0.01	0.47
Weighted average shares outstanding, basic and diluted (in thousands)	116,219	116,219	116,219	116,108	116,108	116,108

Unaudited Condensed Consolidated Statements of Comprehensive Income (Loss)

	Three Months Ended September 30, 2016			Nine Months Ended September 30, 2016		
	As Reported	Adjustment	Revised	As Reported	Adjustment	Revised
Net loss	$ (42)	$ 3	$ (39)	$ (182)	$ (1)	$ (183)
Total comprehensive income (loss)	4	3	7	(80)	(1)	(81)
Comprehensive loss attributable to Tronox Limited	(12)	3	(9)	(110)	(1)	(111)

Unaudited Condensed Consolidated Balance Sheet

	December 31, 2016		
	As Reported [(1)]	Adjustment	Revised
Current assets of continuing operations	$ 1,067	$ —	$ 1,067
Total assets of discontinued operations	1,668	3	1,671
Total current assets	2,735	3	2,738
Total assets	4,961	3	4,964
Accrued liabilities	138	11	149
Current liabilities of continuing operations	443	10	453
Total liabilities of discontinued operations	110	1	111
Total current liabilities	553	11	564
Total liabilities	3,800	11	3,811
Accumulated deficit	(13)	(6)	(19)
Accumulated other comprehensive loss	(495)	(2)	(497)
Total Tronox Limited shareholders' equity	1,017	(8)	1,009
Total equity	1,161	(8)	1,153
Total liabilities and equity	4,961	3	4,964

(1) Amounts reflect the results of Alkali as discontinued operations.

Unaudited Condensed Consolidated Statement of Cash Flows

There was no net impact to operating, investing and financing cash flows from the revisions for continuing operations for the nine months ended September 30, 2016.

Adopted Accounting Pronouncements

In March 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-09, *Improvements to Employee Share-Based Payment Accounting* ("ASU 2016-09"), which amends ASC Topic 718, *Compensation – Stock Compensation*. ASU 2016-09 simplifies various aspects related to how share-based payments are accounted for and presented in the financial statements including income taxes and forfeitures of awards. We adopted ASU 2016-09 during the first quarter of 2017. Its adoption did not have a material impact on our unaudited condensed consolidated financial statements.

In March 2016, the FASB issued ASU 2016-05, *Derivatives and Hedging: Effect of Derivative Contract Novations on Existing Hedge Accounting Relationships* ("ASU 2016-05"), which clarifies that a change in the counterparty to a derivative instrument that has been designated as the hedging instrument in an existing hedging relationship would not, in and of itself, be considered a termination of the derivative instrument or a change in a critical term of the hedging relationship. As long as all other hedge accounting criteria in ASC 815, *Derivatives and Hedging* ("ASC 815") are met, a hedging relationship in which the hedging derivative instrument is novated would not be discontinued or require redesignation. This clarification applies to both cash flow and fair value hedging relationships. We adopted ASU 2016-05 during the first quarter of 2017. Its adoption did not have an impact on our unaudited condensed consolidated financial statements.

In July 2015, as part of its simplification initiative, the FASB issued ASU 2015-11, *Simplifying the Measurement of Inventory* ("ASU 2015-11"). ASU 2015-11 simplifies the subsequent measurement of inventory by requiring entities to remeasure inventory at the lower of cost and net realizable value, which is defined as the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. We adopted ASU 2015-11 during the first quarter of 2017. The adoption of ASU 2015-11 did not have an impact on our unaudited condensed consolidated financial statements.

Recently Issued Accounting Pronouncements

We consider the applicability and impact of all recently issued ASUs. Those not listed below were assessed and determined to be either not applicable or expected to have a minimal impact on our consolidated financial statements.

In August 2017, the FASB issued ASU 2017-12, Derivatives and Hedging (Topic 815): *Targeted Improvements to Accounting for Hedging Activities* ("ASU 2017-12"), which will make more financial and nonfinancial hedging strategies eligible for hedge accounting. It also amends the presentation and disclosure requirements and changes how companies assess effectiveness. It is intended to more closely align hedge accounting with companies' risk management strategies, simplify the application of hedge accounting, and increase transparency as to the scope and results of hedging programs. ASU 2017-12 is effective for annual periods beginning on or after December 15, 2018, including interim periods within those periods. Early adoption is permitted which we are considering. We do not expect the adoption of ASU 2017-12 to have a material impact on our consolidated financial statements.

In May 2017, the FASB issued ASU 2017-09, *Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting* ("ASU 2017-09"), which clarifies when to account for a change to the terms or conditions of a share-based payment award as a modification. Under ASU 2017-09, modification accounting is required only if the fair value, the vesting conditions, or the classification of the award (as equity or liability) changes as a result of the change in terms or conditions. ASU 2017-09 is effective prospectively for annual periods beginning on or after December 15, 2017, including interim periods within those periods. Early adoption is permitted. The impact, if any, that ASU 2017-09 will have on our consolidated financial statements will depend on any future award modification.

In March 2017, the FASB issued ASU 2017-07, *Compensation-Retirement Benefits: Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost* ("ASU 2017-07") which amends the requirements in ASC 715, Compensation — Retirement Benefits, which requires employers that sponsor defined benefit pension and/or other postretirement plans to aggregate the various components of net periodic benefit cost for presentation purposes but does not prescribe where they should be presented in the income statement. ASU 2017-07 requires employers to present the service cost component of the net periodic benefit cost in the same income statement line item(s) as other employee compensation costs arising from service rendered during the period. In addition, only the service cost component will be eligible for capitalization in assets. Employers will present the other components separately from the line item(s) that includes the service cost and outside of any subtotal of operating income, if one is presented. Employers will have to disclose the line item(s) used to present the other components of net periodic benefit cost, if the components are not presented separately in the income statement. ASU 2017-07 is effective for fiscal years beginning after December 15, 2017, and interim periods within those years. Early adoption is permitted as of the beginning of an annual period for which an entity's financial statements (interim or annual) have not been issued. ASU 2017-07 requires the presentation of the components of net periodic benefit cost in the income statement retrospectively while the guidance limiting the capitalization of net periodic benefit cost in assets to the service component will be applied prospectively. We do not expect the adoption of ASU 2017-07 to have a material impact on our consolidated financial statements.

In January 2017, the FASB issued ASU 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business* ("ASU 2017-01"), which clarifies the definition of a business with the objective of adding guidance to assist companies and other reporting organizations with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. ASU 2017-01 is effective for annual periods beginning after December 15, 2017, including interim periods within those periods. Early application of the amendments in ASU 2017-01 is allowed under certain circumstances. The amendments in ASU 2017-01 should be applied prospectively on or after the effective date. The impact, if any, that ASU 2017-01 will have on our consolidated financial statements will depend on the nature of future acquisitions of assets or businesses.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230)*: Restricted Cash ("ASU 2016-18"), which requires that the reconciliation of the beginning-of-period and end-of period amounts shown in the statement of cash flows include restricted cash and restricted cash equivalents. ASU 2016-18 does not define restricted cash or restricted cash equivalents, but an entity will need to disclose the nature of the restrictions. ASU 2016-18 is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. The guidance should be applied retrospectively to all periods presented. The adoption of ASU 2016-18 will require us to include and reconcile the amount of "Restricted cash", together with "Cash and cash equivalents", for cash flow purposes for all periods presented commencing with the three months ending March 31, 2018.

In October 2016, the FASB issued ASU 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory* ("ASU 2016-16"), which reduces the complexity in the accounting standards by allowing the recognition of current and deferred income taxes for an intra-entity asset transfer, other than inventory, when the transfer occurs. Historically, recognition of the income tax consequence was not recognized until the asset was sold to an outside party. This amendment should be applied on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. ASU 2016-16 is effective for annual periods beginning after December 15, 2017, including interim reporting periods within those annual reporting periods. Early adoption is permitted for all entities as of the beginning of an annual reporting period for which financial statements (interim or annual) have not been issued or made available for issuance. The impact, if any, that ASU 2016-16 will have on our consolidated financial statements will depend upon future intra-entity transfers of assets other than inventory.

In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flows (Topic 230): *Classification of Certain Cash Receipts and Cash Payments* ("ASU 2016-15") which provides guidance intended to reduce diversity in practice in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. ASU 2016-15 is effective for financial statements issued for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years with early adoption permitted, provided that all of the amendments are adopted in the same period. The guidance requires application using a retrospective transition method. We have not yet determined the impact, if any, that ASU 2016-15 will have on our consolidated financial statements as it will depend on the nature of future cash flow transactions impacted by the new guidance.

In February 2016, the FASB issued ASU 2016-02, *Leases* ("ASU 2016-02") which includes a lessee accounting model that recognizes two types of leases - finance leases and operating leases. The standard requires that a lessee recognize on the balance sheet assets and liabilities for leases with lease terms of more than 12 months. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee will depend on its classification as a finance or an operating lease. The standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. Early adoption is permitted. The new standard must be adopted using a modified retrospective transition, and provides for certain practical expedients. Transition will require application of the new guidance at the beginning of the earliest comparative period presented. We have developed an implementation plan for adopting ASU 2016-02, which includes utilizing a software program to manage our lease obligations. We are evaluating the impact that ASU 2016-02 will have on our consolidated financial statements and have concluded that we will not early adopt ASU 2016-02. Refer to Note 14 and 17 included in our Annual Report on Form 10-K for the year ended December 31, 2016 regarding current obligations under lease agreements.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* which states that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 also requires several new disclosures. This guidance is effective for interim and annual periods beginning after December 15, 2017, with early adoption permitted, and may be applied either retrospectively or on a modified retrospective basis. Subsequent to the issuance of the May 2014 guidance, several clarifications and updates have been issued on this topic, the most recent of which was issued in May 2017. We are executing our implementation plan for adopting ASU 2014-09 and are currently operating in line with that plan. We have completed phase 1 of our contract evaluation process and are continuing to review additional contracts while currently validating the results of applying the new revenue guidance. We have also started documenting our accounting policies and evaluating the new disclosure requirements and we expect to complete the evaluation of the impact of the accounting and disclosure requirements on our business processes, controls and systems in the fourth quarter of 2017. We are evaluating the impact that ASU 2014-09 will have on our consolidated financial statements and will adopt the new standard using the modified retrospective approach effective January 1, 2018.

2. Discontinued Operations

Concurrent with the announcement of the Cristal Transaction, we expressed intent to begin a process to market our Alkali soda ash business which met the criteria as held for sale in the third quarter and was sold on September 1, 2017. The sale of Alkali is an important step in positioning us as a global leader in the titanium dioxide (TiO_2) industry. The proceeds will be used to fund a portion of the cash consideration for the Cristal acquisition and a portion was also used in the refinancing of our debt. See Notes 1 and 11. The criteria for presentation of Alkali as a discontinued operation in accordance with Accounting Standards Update ("ASU") 2014-08, *Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity* was met in the third quarter of 2017. This disposal is considered a strategic shift that has and will have a major effect on the Company's operations and financial results; therefore, the results of Alkali have been classified as discontinued operations for all periods presented. Alkali assets as of December 31, 2016 have been segregated from continuing operations and presented as current assets or current liabilities from discontinued operations.

Alkali, which was previously one of our two operating and reportable segments, included certain allocated corporate costs which have been reallocated to Corporate. The amount of allocated corporate costs was $1 million and $3 million, respectively, for each of the three and nine months ended September 30, 2017 and 2016. After the sale, we now operate in a single operating and reportable segment, TiO_2.

The following table presents the major classes of Alkali's line items constituting the "Income (loss) from discontinued operations, net of tax" in our Condensed Consolidated Statements of Operations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net sales	$ 129	$ 194	$ 521	$ 590
Cost of goods sold	113	163	448	511
Selling, general and administrative expenses	(6)	(7)	(18)	(20)
Income before income taxes	10	24	55	59
Income tax benefit (provision)	7	(1)	(1)	(4)
Loss on sale of discontinued operations, no tax impact	(233)	—	(233)	—
Income (loss) from discontinued operations	$ (216)	$ 23	$ (179)	$ 55

The following table is a summary of the carrying amounts of Alkali's assets and liabilities included as "Total assets of discontinued operations" and "Total liabilities of discontinued operations" of December 31, 2016:

	December 31, 2016
Assets	
Current Assets	
Accounts receivable, net of allowance for doubtful accounts	$ 146
Inventories, net	33
All other current assets	21
Total current assets of discontinued operations	200
Noncurrent Assets	
Property, plant and equipment	739
Mineral leaseholds, net	730
Other long-term assets	2
Total assets of discontinued operations	$ 1,671
Liabilities	
Current Liabilities	
Accounts payable	$ 44
Accrued liabilities	36
All other current liabilities	11
Total current liabilities of discontinued operations	91
All other long-term liabilities	20
Total liabilities of discontinued operations	$ 111

3. Income Taxes

Our operations are conducted through our various subsidiaries in a number of countries throughout the world. We have provided for income taxes based upon the tax laws and rates in the countries in which operations are conducted and income is earned.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Income tax provision	$ (13)	$ (6)	$ (10)	$ (25)
Income (loss) from continuing operations before income taxes	$ (12)	$ (56)	$ (85)	$ (213)
Effective tax rate	(108)%	(11)%	(12)%	(12)%

During the fourth quarter of 2016, we implemented various steps of an internal corporate restructuring plan to simplify our corporate, finance and legal structure and thereby improve operational, administrative, and commercial synergies (the "Corporate Reorganization"). As a result of this Corporate Reorganization, we reduced our cross jurisdictional financing arrangements during 2016; therefore, the three and nine months period ended September 30, 2017 is not impacted by withholding tax accruals on interest income. In connection with the Corporate Reorganization during the three months period ended March 31, 2017, Tronox Limited became managed and controlled in the United Kingdom ("U.K"), with no additional impacts to the consolidated provision for income taxes due to the valuation allowances in various jurisdictions.

During the nine months ended September 30, 2017, Tronox Limited, the public parent which is registered under the laws of the State of Western Australia, became managed and controlled in the U.K. The statutory tax rate in the U.K. at September 30, 2017 was 19%. During 2016, Tronox Limited was managed and controlled in Australia which has a statutory tax rate of 30%.

During the three months ended September 30, 2017 we sold the Alkali segment of our operations. The Alkali results are now shown as discontinued operations and are not included in the tabular results above. The effective tax rate for the three months ended September 30, 2017 differs from both the three months ended September 30, 2016, and the nine months ended September 30, 2017 primarily due to the discrete results of reporting the effects of this sale.

Additionally, the effective tax rate for the three and nine months ended September 30, 2017 differs from the U.K. statutory rate of 19% primarily due to valuation allowances, income in foreign jurisdictions taxed at rates different than 19%. The effective tax rate for the three and nine months ended September 30, 2016 differs from the Australian statutory rate of 30% primarily due to valuation allowances and income in foreign jurisdictions taxed at rates lower than 30%, and withholding tax accruals on interest income. The income tax provision for the three and nine months ended September 30, 2017 differs from the income tax provision for the three and nine months ended September 30, 2016 due to withholding tax accruals on interest income which we made during 2016.

The statutory tax rates in various countries where subsidiaries of Tronox Limited have operations are different than both the U.K. and the Australian tax rates. Tax rates in the United States ("U.S.") (35% for corporations), South Africa (28% for limited liability companies), the Netherlands (25% for corporations), Switzerland (8.5% for corporations) and Jersey, U.K. (0% for corporations) all impact our effective tax rate.

We continue to maintain full valuation allowances related to the total net deferred tax assets in Australia, the Netherlands, and the U.S., as we cannot objectively assert that these deferred tax assets are more likely than not to be realized. Future provisions for income taxes will include no tax benefits with respect to losses incurred and tax expense only to the extent of current state tax payments until the valuation allowances are eliminated. Additionally, we have valuation allowances against specific tax assets in South Africa, and during the nine month period ended September 30, 2017 we established a valuation allowance of $7 million against deferred tax assets in the U.K. which we do not currently expect to utilize.

These conclusions were reached by the application of ASC 740, *Income Taxes*, which require all available positive and negative evidence be weighted to determine whether a valuation allowance should be recorded. The more significant evidential matter in Australia, the U.S., The Netherlands, and the U.K. relates to recent book losses and the lack of sufficient projected taxable income. The more significant evidential matter for South Africa relates to assets that cannot be depleted or depreciated for tax purposes and capital gains tax losses which we do not expect to utilize.

The Company is currently under audit in Australia and the United States. We believe that we have made adequate provision for income taxes that may be payable with respect to years open for examination; however, the ultimate outcome is not presently known and, accordingly, additional provisions may be necessary and/or reclassifications of noncurrent tax liabilities to current may occur in the future.

4. Income (Loss) Per Share

The computation of basic and diluted income (loss) per share for the periods indicated is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Numerator – Basic and Diluted:				
Net income (loss) from continuing operations	$ (25)	$ (62)	$ (95)	$ (238)
Less: Net income (loss) from continuing operations attributable to noncontrolling interest	6	(2)	11	(1)
Undistributed net income (loss) from continuing operations attributable to Tronox Limited	(31)	(60)	(106)	(237)
Percentage allocated to ordinary shares [1]	100%	100%	100%	100%
Net income (loss) from continuing operations available to ordinary shares	(31)	(60)	(106)	(237)
Net income (loss) from discontinued operations available to ordinary shares	(216)	23	(179)	55
Net income (loss) available to ordinary shares	$ (247)	$ (37)	$ (285)	$ (182)
Denominator – Basic and Diluted:				
Weighted-average ordinary shares, basic and diluted (in thousands)	119,405	116,219	118,908	116,108
Net income (loss) per Ordinary Share [2]:				
Basic and diluted net income (loss) from continuing operations per ordinary share	$ (0.26)	$ (0.53)	$ (0.89)	$ (2.04)
Basic and diluted net income (loss) from discontinued operations per ordinary share	(1.81)	0.20	(1.51)	0.47
Basic and diluted net income (loss) per ordinary share	$ (2.07)	$ (0.33)	$ (2.40)	$ (1.57)

(1) Our participating securities do not have a contractual obligation to share in losses; therefore, when we have a net loss, none of the loss is allocated to participating securities. Consequently, for the three and nine months ended September 30, 2017 and 2016, the two-class method did not have an effect on our net loss per ordinary share calculation, and as such, dividends paid during the year did not impact this calculation.

(2) Loss per ordinary share amounts were calculated from exact, not rounded, loss and share information.

In computing diluted net income (loss) per share under the two-class method, we considered potentially dilutive shares. Anti-dilutive shares not recognized in the diluted net loss per share calculation for the nine months ended September 30, 2017 and 2016 were as follows:

	September 30, 2017		September 30, 2016	
	Shares	Average Exercise Price	Shares	Average Exercise Price
Options	1,827,354	$ 21.21	1,997,437	$ 21.20
Series A Warrants [1]	960,371	$ 8.51	1,440,652	$ 8.51
Series B Warrants [1]	1,009,283	$ 9.37	1,953,250	$ 9.37
Restricted share units	5,548,071	$ 11.22	5,566,589	$ 7.18

(1) Series A Warrants were converted into Class A ordinary shares at September 30, 2017 and 2016 using a rate of 6.02. Series B Warrants were converted into Class A ordinary shares at September 30, 2017 and 2016 using a rate of 6.03.

5. Accounts Receivable, Net of Allowance for Doubtful Accounts

Accounts receivable, net of allowance for doubtful accounts, consisted of the following:

	September 30, 2017	December 31, 2016
Trade receivables	$ 298	$ 271
Other	12	8
Subtotal	310	279
Allowance for doubtful accounts	(1)	(1)
Accounts receivable, net of allowance for doubtful accounts	$ 309	$ 278

6. Inventories, Net

Inventories, net consisted of the following:

	September 30, 2017	December 31, 2016
Raw materials	$ 161	$ 191
Work-in-process	30	35
Finished goods, net	184	190
Materials and supplies, net [1]	98	97
Total	473	513
Less: Inventories, net – non-current	(14)	(14)
Inventories, net - current	$ 459	$ 499

(1) Consists of processing chemicals, maintenance supplies, and spare parts, which will be consumed directly and indirectly in the production of our products.

Finished goods include inventory on consignment of $29 million and $24 million at September 30, 2017 and December 31, 2016, respectively. At September 30, 2017 and December 31, 2016, inventory obsolescence reserves primarily for materials and supplies were $15 and $17 million, respectively. At September 30, 2017 and December 31, 2016, reserves for lower of cost or market were $17 million and $26 million, respectively.

7. Property, Plant and Equipment, Net

Property, plant and equipment, net of accumulated depreciation, consisted of the following:

	September 30, 2017	December 31, 2016
Land and land improvements	$ 94	$ 94
Buildings	244	237
Machinery and equipment	1,316	1,275
Construction-in-progress	103	82
Other	40	38
Subtotal	1,797	1,726
Less accumulated depreciation and amortization	(728)	(634)
Property, plant and equipment, net [1]	$ 1,069	$ 1,092

[1] Substantially all of these assets are pledged as collateral for our debt. See Note 11.

Depreciation expense related to property, plant and equipment during the three months ended September 30, 2017 and 2016 was $31 million and $30 million, respectively, of which $30 million and $29 million, respectively, was recorded in "Cost of goods sold" in the unaudited Condensed Consolidated Statements of Operations and $1 million each was recorded in "Selling, general and administrative expenses" in the unaudited Condensed Consolidated Statements of Operations. Depreciation expense related to property, plant and equipment during the nine months ended September 30, 2017 and 2016 was $93 million and $86 million, respectively, of which $91 million and $84 million, respectively, was recorded in "Cost of goods sold" in the unaudited Condensed Consolidated Statements of Operations and $2 million each was recorded in "Selling, general and administrative expenses" in the unaudited Condensed Consolidated Statements of Operations.

8. Mineral Leaseholds, Net

Mineral leaseholds, net of accumulated depletion, consisted of the following:

	September 30, 2017	December 31, 2016
Mineral leaseholds	$ 1,263	$ 1,257
Less: accumulated depletion	(404)	(380)
Mineral leaseholds, net	$ 859	$ 877

Depletion expense relating to mineral leaseholds recorded in "Cost of goods sold" in the unaudited Condensed Consolidated Statements of Operations was $8 million during each of the three months ended September 30, 2017 and 2016 and $24 million and $26 million, respectively, during the nine months ended September 30, 2017 and 2016.

9. Intangible Assets, Net

Intangible assets, net of accumulated amortization, consisted of the following:

	September 30, 2017			December 31, 2016		
	Gross Cost	Accumulated Amortization	Net Carrying Amount	Gross Cost	Accumulated Amortization	Net Carrying Amount
Customer relationships	$ 291	$ (129)	$ 162	$ 291	$ (115)	$ 176
TiO_2 technology	32	(11)	21	32	(9)	23
Internal-use software	44	(24)	20	45	(21)	24
Intangible assets, net	$ 367	$ (164)	$ 203	$ 368	$ (145)	$ 223

Amortization expense related to intangible assets during each of the three months ended September 30, 2017 and 2016 was $6 million of which less than $1 million each was recorded in "Cost of goods sold" in the unaudited Condensed Consolidated Statements of Operations and $6 million each was recorded in "Selling, general and administrative expenses" in the unaudited Condensed Consolidated Statements of Operations. Amortization expense related to intangible assets during each of the nine months ended September 30, 2017 and 2016 was $19 million of which $1 million each was recorded in "Cost of goods sold" in the unaudited Condensed Consolidated Statements of Operations and $18 million each was recorded in "Selling, general and administrative expenses" in the unaudited Condensed Consolidated Statements of Operations. Estimated future amortization expense related to intangible assets is $6 million for the remainder of 2017, $25 million each for 2018 through 2021, and $97 million thereafter.

10. Accrued Liabilities

Accrued liabilities consisted of the following:

	September 30, 2017	December 31, 2016
Employee-related costs and benefits	$ 63	$ 61
Interest	5	35
Sales rebates	19	20
Taxes other than income taxes	11	9
Professional fees and other	33	25
Accrued liabilities	$ 131	$ 150

11. Debt

Debt Refinancing

On September 22, 2017, we completed our offering of our Senior Notes due 2025 for an aggregate principal amount of $450 million, the net proceeds of which, together with borrowings under our $2.150 billion New Term Loan Facility and proceeds from the Alkali sale, funded the redemption of the remaining outstanding balance of our Senior Notes due 2020 and repayment in full of the remaining outstanding balance of our $1.5 billion Prior Term Loan. In addition, we paid off our UBS Revolver and entered into a new asset-based revolving syndicated facility with Wells Fargo (all defined below).

The refinancing of our Senior Notes due 2020 was considered a debt extinguishment in accordance with ASC 470, Debt (“ASC 470”). However, for refinancing of both the UBS Revolver and the New Term Loan Facility, a portion of each of these refinancing arrangements were considered modifications and a portion considered extinguishments in accordance with the requirements of ASC 470 as some of the original lenders in the original syndications were part of the new lender base.

Short-term Debt

During the third quarter of 2017, we repaid the $150 million outstanding balance under the global senior secured asset-based syndicated revolving credit facility with UBS AG (the “UBS Revolver”). Concurrent with entering into the Wells Fargo Revolver, described below, the UBS Revolver was terminated. Unamortized original debt issuance costs of $1 million relating to the UBS Revolver were included in “Gain (loss) on extinguishment of debt” in the Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2017. The remaining unamortized balance of original debt issuance costs of $2 million relating to the UBS Revolver will be amortized over the life of the Wells Fargo Revolver.

Wells Fargo Revolver

On September 22, 2017, we entered into a new global senior secured asset-based syndicated revolving credit facility with the lenders party thereto and Wells Fargo Bank, N.A. as administrative agent (the “Wells Fargo Revolver”). The Wells Fargo Revolver provides us with up to $550 million of revolving credit loans, with an $85 million sublimit for letters of credit, and has a maturity date of September 22, 2022. Our availability of revolving credit loans and letters of credit is subject to a borrowing base. Borrowings bear interest at our option, at either an adjusted London Interbank Offered Rate (“LIBOR”) plus an applicable margin that ranges from 1.25% to 1.75%, or a base rate, which is defined to mean the greatest of (a) the administrative agent’s prime rate, (b) the Federal funds effective rate plus 0.50% and (c) the adjusted LIBOR for a one-month period plus 1.00%, plus an applicable margin that ranges from 0.25% to 0.75%, in each case, based on the average daily borrowing availability. At September 30, 2017, there was no outstanding revolving credit loans under the Wells Fargo Revolver, except for $19 million of issued and undrawn letters of credit under the Wells Fargo Revolver. Debt issuance costs associated with the Wells Fargo Revolver of $6 million ($2 million remaining from the UBS Revolver and $4 million incurred for the Wells Fargo Revolver) were included in “Other long-term assets” in the Condensed Consolidated Balance Sheets at September 30, 2017 and will be amortized over the life of the Wells Fargo Revolver.

Long-term debt, net of an unamortized discount and debt issuance costs, consisted of the following:

	Original Principal	Annual Interest Rate	Maturity Date	September 30, 2017	December 31, 2016
Prior Term Loan, net of unamortized discount (1)	$ 1,500	Variable	3/20/2020	$ —	$ 1,441
New Term Loan Facility, net of unamortized discount (2)	$ 2,150	Variable	9/22/2024	$ 2,136	$ —
Senior Notes due 2020	900	6.375%	8/15/2020	—	896
Senior Notes due 2022	600	7.50%	3/15/2022	584	584
Senior Notes due 2025	450	5.75%	9/22/2025	450	—
Lease financing				17	19
Long-term debt				3,187	2,940
Less: Long-term debt due within one year				(11)	(16)
Debt issuance costs				(47)	(36)
Long-term debt, net				$ 3,129	$ 2,888

(1) Average effective interest rate of 5.2% and 5.1% during the three and nine months ended September 30, 2017, respectively, and 4.9% each during the three and nine months ended September 30, 2016.

(2) Average effective interest rate of 4.5% during each of the three and nine months ended September 30, 2017.

At September 30, 2017, the scheduled maturities of our long-term debt were as follows:

	Total Borrowings
2017	$ —
2018	17
2019	22
2020	22
2021	22
Thereafter	3,118
Total	3,201
Remaining accretion associated with the New Term Loans	(14)
Total borrowings	$ 3,187

Prior Term Loan

On April 23, 2014, we, along with our wholly owned subsidiary, Tronox Pigments (Netherlands) B.V., and certain named guarantor subsidiaries, entered into a Third Amended and Restated Credit and Guaranty Agreement (the "Third Agreement") with the lenders party thereto and Goldman Sachs Bank USA, as administrative agent. Pursuant to the Third Agreement, we obtained a $1.5 billion senior secured term loan (the "Prior Term Loan") with a maturity date of March 19, 2020. As mentioned above, on September 22, 2017, we repaid the remaining $1.4 billion outstanding balance of the $1.5 billion Prior Term Loan and entered into the New Term Loan Facility described below. Unamortized original debt discount and issuance costs of $1 million relating to the Prior Term Loan were included in "Gain (loss) on extinguishment of debt" in the Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2017. The remaining balance of unamortized original debt discount and issuance costs of $16 million relating to the Prior Term Loan will continue to be amortized over the life of the New Term Loan Facility.

New Term Loan Facility

On September 22, 2017, we entered into a new senior secured first lien term loan facility (the "New Term Loan Facility") with the lenders party thereto and Bank of America, N.A., as administrative agent, with a maturity date of September 22, 2024. The New Term Loan Facility consists of (i) a U.S. dollar term facility in an aggregate principal amount of $1.5 billion (the "New Term Loans") with our subsidiary, Tronox Finance LLC ("Tronox Finance") as the borrower and (ii) a U.S. dollar term facility in an aggregate principal amount of $650 million (the "Blocked Term Loan") with our unrestricted subsidiary, Tronox Blocked Borrower LLC (the "Blocked Borrower") as the borrower, which Blocked Term Loan was funded into a blocked account. Upon consummation of the Cristal acquisition, the Blocked Borrower will merge with and into Tronox Finance, and the Blocked Term Loan will become available to Tronox Finance. If the Cristal Acquisition is terminated, the Blocked Term Loan will be repaid to the lenders of such Blocked Term Loan. The proceeds from the Blocked Term Loan were included in "Restricted cash" in the Condensed Consolidated Balance Sheets at September 30, 2017. The term loans under the New Term Loan Facility bear interest at the "Applicable Rate" defined by reference to a grid pricing matrix that relates to our first lien net leverage ratio. Based upon our first lien net leverage ratio, the Applicable Rate under the New Term Loan Facility as of September 30, 2017 was 300 basis points plus LIBOR. The New Term Loan Facility was issued net of an original issue discount of $11 million. Debt issuance costs of $4 million relating to the New Term Loans were included in "Gain (loss) on extinguishment of debt" in the Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2017. Debt issuance costs of $30 million associated with the New Term Loan Facility ($13 million remaining from the Prior Term Loan and $17 million incurred for the New Term Loan Facility) were recorded as a direct reduction of the carrying value of the long-term debt as described below and will be amortized over the life of the New Term Loan Facility.

Senior Notes due 2020

On September 25, 2017, we redeemed (the "Redemption") the $896 million outstanding balance of our $900 million aggregate principal, 6.375% senior notes due 2020 issued by Tronox Finance (the "Senior Notes due 2020"). The total cash payment made in connection with the Redemption was approximately $917 million, and included accrued interest of $7 million and a call premium of $14 million (the "Call Premium") included in "Gain (loss) on extinguishment of debt" in the unaudited Condensed Consolidated Statements of Operations. During the nine months ended September 30, 2016, we repurchased $4 million of face value of the Senior Notes due 2020 at a price of 77% of par, resulting in a net gain of approximately $1 million which was included in "Gain (loss) on extinguishment of debt" in the unaudited Condensed Consolidated Statements of Operations. The Senior Notes due 2020 were fully and unconditionally guaranteed on a senior and unsecured basis by us and certain of our subsidiaries. As a result of the Redemption, we are no longer required to present guarantor condensed consolidating financial statements starting with this Form 10-Q for the period ended September 30, 2017. In connection with the Redemption, we recorded a loss on extinguishment of debt of $22 million included in "Gain (loss) on extinguishment of debt", of which $8 million related to unamortized debt issuance costs and $14 million related to the Call Premium.

Senior Notes due 2022

We have $600 million aggregate principal amount, 7.50% Senior Notes due 2022 (the "Senior Notes due 2022") which notes were issued pursuant to an indenture dated March 19, 2015 (the "2022 Indenture"). The Senior Notes due 2022 have not been registered under the Securities Act, and may not be offered or sold in the U.S. absent registration or an applicable exemption from registration requirements. There were no repayments during the three and nine months ended September 30, 2017. During the nine months ended September 30, 2016, we repurchased $16 million of face value of notes at a weighted average price of 76% of par, resulting in a net gain of approximately $3 million which was included in "Gain (loss) on extinguishment of debt" in the unaudited Condensed Consolidated Statements of Operations.

The Indenture and the Senior Notes due 2022 provide, among other things, that the Senior Notes due 2022 are senior unsecured obligations of Tronox Finance and are guaranteed on a senior and unsecured basis by us and certain of our other subsidiaries. Interest is payable on March 15 and September 15 of each year until their maturity date of March 15, 2022. The terms of the 2022 Indenture, among other things, limit, in certain circumstances, the ability of us 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 certain 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. At September 30, 2017 and December 31, 2016, debt issuance costs related to the Senior Notes due 2022 of $8 million and $10 million, respectively, were recorded as a direct reduction of the carrying value of the long-term debt as described below.

Senior Notes due 2025

On September 22, 2017, our wholly-owned subsidiary Tronox Finance plc, issued 5.75% senior notes due 2025 for an aggregate principal amount of $450 million (the "Senior Notes due 2025"), which notes were issued under an indenture dated September 22, 2017 (the "2025 Indenture"). The 2025 Indenture and the Senior Notes due 2025 provide, among other things, that the Senior Notes due 2025 are senior unsecured obligations of Tronox Finance plc and are guaranteed on a senior and unsecured basis by us and certain of our other subsidiaries. The Senior Notes due 2025 have not been registered under the Securities Act, and may not be offered or sold in the U.S. absent registration or an applicable exemption from registration requirements. Interest is payable on April 1 and October 1 of each year beginning on April 1, 2018 until their maturity date of October 1, 2025. The terms of the 2025 Indenture, among other things, limit, in certain circumstances, the ability of us and certain of our subsidiaries to: incur secured indebtedness, engage in certain sale-leaseback transactions and merge, consolidate or sell substantially all of our assets. The terms of the 2025 Indenture also include certain limitations on our non-guarantor subsidiaries incurring indebtedness. Debt issuance costs of $9 million relating to the Senior Notes due 2025 were recorded as a direct reduction of the carrying value of the long-term debt as described below and will be amortized over the life of the Senior Notes due 2025.

Liquidity and Capital Resources

As of September 30, 2017, we had $238 million available under the $550 million Wells Fargo Revolver and $1.1 billion in cash and cash equivalents. In addition, restricted cash as of September 30, 2017 included the $650 million proceeds from the Blocked Term Loan discussed above.

Lease Financing

We have capital lease obligations in South Africa, which are payable through 2031 at a weighted average interest rate of approximately 14%. At September 30, 2017 and December 31, 2016, assets recorded under capital lease obligations were $21 million and $7 million, respectively. Related accumulated amortization was $7 million and $6 million at September 30, 2017 and December 31, 2016, respectively. During each of the three and nine months ended September 30, 2017 and 2016, we made principal payments of less than $1 million.

Fair Value

Our debt is recorded at historical amounts. At September 30, 2017 and December 31, 2016, the fair value of the New Term Loan Facility was $2.2 billion. At September 30, 2017 and December 31, 2016, the fair value of the Senior Notes due 2022 was $616 million and $544 million, respectively. At September 30, 2017 the fair value of our Senior Notes due 2025 was $461 million. We determined the fair value of the New Term Loan Facility, the Senior Notes due 2022 and the Senior Notes due 2025 using quoted market prices. The fair value hierarchy for the New Term Loan Facility, the Senior Notes due 2022 and the Senior Notes due 2025 is a Level 1 input. Balances outstanding under our Wells Fargo Revolver are carried at contracted amounts, which approximate fair value based on the short term nature of the borrowing and the variable interest rate. The fair value hierarchy for our Wells Fargo Revolver is a Level 2 input.

Debt Covenants

At September 30, 2017, we had no financial covenants in the Wells Fargo Revolver and the New Term Loan Facility. We were in compliance with all our reporting covenants as of and for the three and nine months ended September 30, 2017.

Interest and Debt Expense, Net

Interest and debt expense, net in the unaudited Condensed Consolidated Statements of Operations consisted of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Interest on Prior Term Loan	$ 16	$ 17	$ 49	$ 50
Interest on New Term Loan Facility	2	—	2	—
Interest on Senior Notes due 2020	13	14	41	43
Interest on Senior Notes due 2022	11	11	33	33
Interest on Senior Notes due 2025	1	—	1	—
Amortization of deferred debt issuance costs and discounts on debt	3	3	9	8
Other	2	1	7	6
Capitalized interest	(1)	—	(2)	(2)
Total interest and debt expense, net	$ 47	$ 46	$ 140	$ 138

In connection with obtaining debt, we incurred debt issuance costs, which are being amortized through the respective maturity dates using the effective interest method. At September 30, 2017, we had deferred debt issuance costs of $6 million related to the Wells Fargo Revolver which is recorded in “Other long-term assets” in the unaudited Condensed Consolidated Balance Sheets. At September 30, 2017, we had $30 million and $9 million of debt discount and issuance costs related to the New Term Loan Facility and the Senior Notes due 2025, respectively, which was recorded as a direct reduction of the carrying value of the long term debt in the unaudited Condensed Consolidated Balance Sheets. At September 30, 2017 and December 31, 2016, we had $8 million and $10 million, respectively, of debt issuance costs related to the Senior Notes 2022, which were recorded as a direct reduction of the carrying value of the long term debt in the unaudited Condensed Consolidated Balance Sheets.

12. Asset Retirement Obligations

Asset retirement obligations consist primarily of rehabilitation and restoration costs, landfill capping costs, decommissioning costs, and closure and post-closure costs. Activity related to asset retirement obligations was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Beginning balance	$ 80	$ 78	$ 76	$ 81
Additions	1	—	1	1
Accretion expense	2	1	4	4
Remeasurement/translation	—	3	4	5
Changes in estimates, including cost and timing of cash flows	—	—	—	(9)
Settlements/payments	(1)	—	(3)	—
Balance, September 30,	$ 82	$ 82	$ 82	$ 82

Asset retirement obligations in our unaudited Condensed Consolidated Balance Sheets at September 30, 2017 and December 31, 2016 consist of a current portion of $4 million and $3 million, respectively, included in "Accrued liabilities" and a noncurrent portion of $78 million and $73 million, respectively, included in "Asset retirement obligations".

During the nine months ended September 30, 2016, we amended our lease agreement for our TiO_2 pigment facility in Botlek, The Netherlands, which included an option to extend the lease term for an additional 25 years. This amendment increased the estimated useful life used in determining the asset retirement obligation and consequently, we recognized a $10 million reduction to this liability.

13. Commitments and Contingencies

Purchase and Capital Commitments — At September 30, 2017, purchase commitments were $72 million for the remainder of 2017, $82 million for 2018, $57 million for 2019, $41 million for 2020, $29 million for 2021, and $118 million thereafter.

Letters of Credit — At September 30, 2017, we had outstanding letters of credit, bank guarantees, and performance bonds of $43 million, of which $19 million were letters of credit issued under the Wells Fargo Revolver, $18 million were bank guarantees issued by ABSA Bank Limited ("ABSA"), $5 million were bank guarantees issued by Standard Bank, $1 million were performance bonds issued by Westpac Banking Corporation and less than $1 million of letters of credit issued by UBS.

Other Matters—From time to time, we may be party to a number of legal and administrative proceedings involving legal, environmental, and/or other matters in various courts or agencies. These proceedings, individually and in the aggregate, may have a material adverse effect on us. These proceedings may be associated with facilities currently or previously owned, operated or used by us and/or our predecessors, some of which may include claims for personal injuries, property damages, cleanup costs, and other environmental matters. Current and former operations may also involve management of regulated materials that are subject to various environmental laws and regulations including the Comprehensive Environmental Response Compensation and Liability Act, the Resource Conservation and Recovery Act or state equivalents. Similar environmental laws and regulations and other requirements exist in foreign countries in which we operate. Currently, we are not party to any pending legal or administrative proceedings that may have a material adverse effect, either individually or in the aggregate, on our business, financial condition or results of operations.

14. Shareholders' Equity

The changes in outstanding Class A Shares and Class B Shares for the nine months ended September 30, 2017 were as follows:

Class A Shares:	
Balance at January 1, 2017	65,165,672
Shares issued for share-based compensation	3,034,771
Shares issued upon warrants exercised	964,897
Shares issued upon options exercised	45,753
Shares issued cancelled for share-based compensation	(619,999)
Balance at September 30, 2017	68,591,094
Class B Shares:	
Balance, at both September 30, 2017 and December 31, 2016	51,154,280

Warrants

We have outstanding Series A Warrants (the "Series A Warrants") and Series B Warrants (the "Series B Warrants"), together (the "Warrants"). At September 30, 2017, holders of the Series A Warrants and the Series B Warrants were entitled to purchase 6.02 and 6.03 of Class A Shares, respectively, and receive $12.50 in cash at an exercise price of $51.21 for each Series A Warrant and $56.51 for each Series B Warrant. The Warrants have a seven-year term from the date initially issued and will expire on February 14, 2018. A holder may exercise the Warrants by paying the applicable exercise price in cash or exercising on a cashless basis. The Warrants are freely transferable by the holder. At September 30, 2017 and December 31, 2016, there were 159,530 and 239,306 Series A Warrants outstanding, respectively, and 167,377 and 323,915 Series B Warrants outstanding, respectively.

Dividends

During 2017, we declared and paid quarterly dividends to holders of our Class A Shares and Class B Shares as follows:

	Three Months Ended March 31, 2017	Three Months Ended June 30, 2017	Three Months Ended September 30, 2017
Dividend per share	$ 0.045	$ 0.045	$ 0.045
Total dividend	$ 6	$ 6	$ 5
Record date (close of business)	March 6	May 15	August 21

During 2016, we declared and paid quarterly dividends to holders of our Class A Shares and Class B Shares as follows:

	Three Months Ended March 31, 2016	Three Months Ended June 30, 2016	Three Months Ended September 30, 2016
Dividend per share	$ 0.25	$ 0.045	$ 0.045
Total dividend	$ 30	$ 5	$ 5
Record date (close of business)	March 4	May 16	August 17

Accumulated Other Comprehensive Loss Attributable to Tronox Limited

The tables below present changes in accumulated other comprehensive income (loss) by component for the three months ended September 30, 2017 and 2016.

	Cumulative Translation Adjustment	Pension Liability Adjustment	Unrealized Gains (Losses) on Derivatives	Total
Beginning balance	$ (363)	$ (91)	$ —	$ (454)
Other comprehensive income (loss)	(26)	—	—	(26)
Amounts reclassified from accumulated other comprehensive income (loss)	—	6	—	6
Balance, September 30, 2017	$ (389)	(85)	—	(474)

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	Cumulative Translation Adjustment	Pension Liability Adjustment	Unrealized Gains (Losses) on Derivatives	Total
Beginning balance	$ (456)	$ (101)	$ 2	$ (555)
Other comprehensive income (loss)	51	(21)	(1)	29
Amounts reclassified from accumulated other comprehensive income (loss)	—	(1)	—	(1)
Balance, September 30, 2016	$ (405)	$ (123)	$ 1	$ (527)

The tables below present changes in accumulated other comprehensive income (loss) by component for the nine months ended September 30, 2017 and 2016.

	Cumulative Translation Adjustment	Pension Liability Adjustment	Unrealized Gains (Losses) on Derivatives	Total
Beginning balance	$ (408)	$ (92)	$ 3	$ (497)
Other comprehensive income (loss)	19	—	(3)	16
Amounts reclassified from accumulated other comprehensive income (loss)	—	7	—	7
Balance, September 30, 2017	$ (389)	(85)	—	(474)

	Cumulative Translation Adjustment	Pension Liability Adjustment	Unrealized Gains (Losses) on Derivatives	Total
Beginning balance	$ (496)	$ (102)	$ —	$ (598)
Other comprehensive income (loss)	91	(21)	1	71
Balance, September 30, 2016	$ (405)	$ (123)	$ 1	$ (527)

15. Noncontrolling Interest

At September 30, 2017, Exxaro has a 26% ownership interest in each of our Tronox KZN Sands (Pty) Ltd. and Tronox Mineral Sands (Pty) Ltd. subsidiaries in order to comply with the ownership requirements of the Black Economic Empowerment legislation in South Africa. Exxaro is entitled to exchange this interest for approximately 3.2% in additional Class B Shares under certain circumstances. Exxaro also has a 26% ownership interest in certain of our other non-operating subsidiaries. We account for such ownership interest as "Noncontrolling interest" in the unaudited condensed consolidated financial statements.

Noncontrolling interest activity for the three and nine months ended September 30, 2017 and 2016 was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Beginning balance	$ 162	$ 126	$ 144	$ 112
Net income (loss) attributable to noncontrolling interest	6	(2)	11	(1)
Effect of exchange rate changes	(10)	18	3	31
Balance, September 30,	$ 158	$ 142	$ 158	$ 142

16. Share-Based Compensation

Share-based compensation expense consisted of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Restricted shares and restricted share units	$ 5	$ 7	$ 25	$ 15
Options	—	1	—	2
T-Bucks Employee Participation Plan	—	—	1	1
Total share-based compensation expense	$ 5	$ 8	$ 26	$ 18

Tronox Limited Management Equity Incentive Plan

Restricted Shares

We did not grant any restricted shares during the nine months ended September 30, 2017.

The following table presents a summary of activity for the nine months ended September 30, 2017:

	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding, January 1, 2017	284,400	$ 6.09
Vested	(107,928)	8.00
Outstanding, September 30, 2017	176,472	$ 4.92
Expected to vest, September 30, 2017	176,472	$ 4.92

At September 30, 2017, there was less than $1 million of unrecognized compensation expense related to unvested restricted shares which is expected to be recognized over a weighted-average period of 1.1 years. Since the restricted shares were granted only to certain members of our Board, the unrecognized compensation expense was not adjusted for estimated forfeitures. The total fair value of restricted shares that vested during the nine months ended September 30, 2017 was $1 million.

Restricted Share Units ("RSUs")

During the nine months ended September 30, 2017, we granted RSUs which have time and/or performance conditions. Both the time-based awards and the performance-based awards are classified as equity awards. For the time-based awards, 1,075 RSUs vested immediately, 14,053 RSUs vest ratably over a nine-month period 100,160 RSUs vest ratably over a one-year period and 12,869 RSUs vest ratably over a three-year period, and are valued at the weighted average grant date fair value. For the performance-based awards, 1,145,933 cliff vest at the end of the three years and 12,865 cliff vest at the end of forty months. Included in the performance-based awards are 786,639 RSUs for which vesting is determined based on a relative Total Stockholder Return ("TSR") calculation over the applicable measurement period. The TSR metric is considered a market condition for which we use a Monte Carlo simulation to determine the grant date fair value. A total of 1,225,697 RSUs were granted, pursuant to an Integration Incentive Award program (the "Integration Incentive Award") established in connection with the Cristal Transaction, to certain executive officers and managers with significant integration accountability. If the Cristal Transaction does not close by July 1, 2018, then the Integration Incentive Award granted will be cancelled.

The following table presents a summary of activity for the nine months ended September 30, 2017

	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding, January 1, 2017	5,587,331	$ 7.19
Granted	2,944,267	17.19
Vested	(2,378,609)	9.52
Forfeited	(604,918)	9.81
Outstanding, September 30, 2017	5,548,071	$ 11.22
Expected to vest, September 30, 2017	5,797,277	$ 9.83

At September 30, 2017, there was $35 million of unrecognized compensation expense related to unvested RSUs, adjusted for estimated forfeitures, which is expected to be recognized over a weighted-average period of 2.0 years. The weighted-average grant-date fair value of RSUs granted during the nine months ended September 30, 2017 and 2016 was $17.19 per share and $4.04 per share, respectively. The total fair value of RSUs that vested during the nine months ended September 30, 2017 was $23 million.

Options

The following table presents a summary of activity for the nine months ended September 30, 2017:

	Number of Options	Weighted Average Exercise Price	Weighted Average Contractual Life (years)	Intrinsic Value
Outstanding, January 1, 2017	1,970,481	$ 21.19	6.38	$ —
Exercised	(45,753)	19.32		
Forfeited	(4,273)	21.98		
Expired	(93,101)	21.58		
Outstanding, September 30, 2017	1,827,354	$ 21.21	4.62	$ 2
Expected to vest, September 30, 2017	789	$ 22.69	7.27	$ —
Exercisable, September 30, 2017	1,826,560	$ 21.21	4.61	$ 2

The aggregate intrinsic values in the table represent the total pre-tax intrinsic value (the difference between our share price at the indicated dates and the options' exercise price, multiplied by the number of in-the-money options) that would have been received by the option holders had all option holders exercised their in-the-money options at the end of the period. The amount will change based on the fair market value of our stock. The total intrinsic value of options exercised during the three and nine months ended September 30, 2017 was less than $1 million. No options were exercised during the three and nine months ending September 30, 2016 and consequently, there was no related intrinsic value. We issue new shares upon the exercise of options. During the three and nine months ended September 30, 2017, we received approximately $1 million in cash for the stock options exercised. As there were no stock options exercised during the three and nine months ended September 30, 2016, no cash was received.

At September 30, 2017, we had no unrecognized compensation expense related to options, adjusted for estimated forfeitures. We did not issue any options during the nine months ended September 30, 2017.

T-Bucks Employee Participation Plan ("T-Bucks EPP")

During 2012, we established the T-Bucks EPP for the benefit of certain qualifying employees of our South African subsidiaries. We funded a T-Bucks Trust (the "Trust") with R124 million (approximately $15 million), which was used to acquire Class A Shares. On May 31, 2017, the shares held by the Trust became fully vested. The Trust sold 546,403 shares in June 2017 on behalf of the participants who elected to receive cash. The remaining participants elected to receive shares.

Long-Term Incentive Plan ("LTIP")

We have a LTIP for the benefit of certain qualifying employees of Tronox subsidiaries in South Africa and Australia. The LTIP is classified as a cash-settled compensation plan and is re-measured to fair value at each reporting date. We did not have an outstanding liability for LTIP at both September 30, 2017 and December 31, 2016.

17. Pension and Other Postretirement Healthcare Benefits

We sponsor a noncontributory defined benefit retirement plan in the U. S., the qualified retirement plan (the "U.S. Qualified Retirement Plan"). We also have a collective defined contribution plan (a multiemployer plan) in the Netherlands, and a postretirement healthcare plan in South Africa. We had a defined benefit retirement plan in the Netherlands which was settled in the fourth quarter of 2016.

We sponsored a noncontributory defined benefit plan that covered eligible employees of Alkali which became effective from the acquisition date of Alkali, on April 1, 2015 (the "Alkali Qualified Plan"). Our obligations under the Alkali Qualified Plan transferred with the Sale and $5 million in actuarial losses and prior service costs previously included in "Accumulated other comprehensive loss" were recognized as a loss within "Income (loss) from discontinued operations, net of tax" on the Statement of Operations in the third quarter of 2017.

The components of net periodic cost associated with our U.S. Qualified Retirement Plan and The Netherlands defined benefit plan recognized in the unaudited Condensed Consolidated Statements of Operations were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net periodic cost:				
Service cost	$ —	$ —	$ —	$ —
Interest cost	3	5	11	15
Expected return on plan assets	(4)	(5)	(11)	(15)
Net amortization of actuarial loss and prior service credit	1	—	2	1
Curtailment gain (loss)	—	(1)	—	(1)
Total net periodic cost	$ —	$ (1)	$ 2	$ —

The components of net periodic cost associated with the postretirement healthcare plans was less than $1 million each for the three and nine months ended September 30, 2017 and 2016. The components of net periodic cost associated with the postretirement healthcare plan was $1 million for each of the nine months ended September 30, 2017 and 2016.

For each of the three and nine month periods ended September 30, 2017 and 2016, we contributed $1 million and $3 million, respectively, to The Netherlands multiemployer plan, which was primarily recognized in “Cost of goods sold” in the unaudited Condensed Consolidated Statement of Operations.

18. Related Parties

Exxaro

We have service level agreements with Exxaro for research and development that expired during the third quarter of 2017. Such service level agreements amounted to less than $1 million of expense during each of the three months and nine months ended September 30, 2017 and 2016, which was included in “Selling, general and administrative expense” in the unaudited Condensed Consolidated Statements of Operations. Additionally, we had a professional service agreement with Exxaro related to the Fairbreeze construction project which ended in January 2017. Payments were nil and $1 million, respectively, to Exxaro relating to Fairbreeze during the three months ended September 30, 2017 and 2016 and less than $1 million and $2 million, respectively, during the nine months ended September 30, 2017 and 2016. These payments were capitalized and included in “Property, plant and equipment, net” in our unaudited Condensed Consolidated Balance Sheets. At both September 30, 2017 and December 31, 2016, we had less than $1 million of related party payables, which were recorded in “Accounts payable” in our unaudited Condensed Consolidated Balance Sheets.

19. Segment Information

Segment performance is evaluated based on segment operating income (loss), which represents the results of segment operations before unallocated costs, such as general corporate expenses not identified to a specific segment, interest expense, other income (expense), net and income tax expense or benefit.

Net sales and income (loss) from operations by segment were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Net sales (TiO_2)	$ 435	$ 339	$ 1,234	$ 957
TiO_2 segment	$ 75	$ 17	$ 168	$ (12)
Corporate	(24)	(17)	(90)	(45)
Income (loss) from operations	51	—	78	(57)
Interest and debt expense, net	(47)	(46)	(140)	(138)
Gain on extinguishment of debt	(28)	—	(28)	4
Other income (expense), net	12	(10)	5	(22)
Income (loss) from continuing operations before income taxes	$ (12)	$ (56)	$ (85)	$ (213)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with Tronox Limited's unaudited condensed consolidated financial statements and the related notes included elsewhere in this Quarterly Report on Form 10-Q, as well as Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2016. This discussion and other sections in this Quarterly Report on Form 10-Q contain forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, 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. Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. Forward-looking statements also can be identified by words such as "future," "anticipates," "believes," "estimates," "expects," "intends," "plans," "predicts," "will," "would," "could," "can," "may," and similar terms.

This Management's Discussion and Analysis of Financial Condition and Results of Operations contains certain financial measures, in particular the presentation of earnings before interest, tax, depreciation and amortization ("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 we believe they provide us and readers of this Form 10-Q 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 net income (loss) 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 ("TiO_2") pigment.

TiO_2 Segment

We operate three TiO_2 pigment facilities at the following locations: Hamilton, Mississippi; Botlek, the Netherlands; and Kwinana, Western Australia, representing an aggregate annual TiO_2 production capacity of approximately 465,000 metric tons. 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. Moreover, it 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. At present, it is our belief that there is no effective mineral substitute for TiO_2 because no other white pigment has the physical properties for achieving comparable opacity and brightness, or can be incorporated as cost effectively. We also operate three separate mining operations: KwaZulu-Natal Sands located in South Africa, Namakwa Sands located in South Africa and Cooljarloo located in Western Australia.

Our TiO_2 business includes the following:

- Exploration, mining, and beneficiation of mineral sands deposits;
- Production of titanium feedstock and its co-products (including chloride slag, slag fines, rutile, synthetic rutile and leucoxene), pig iron, and zircon;
- Production and marketing of TiO_2; and
- Electrolytic manganese dioxide manufacturing and marketing, which is primarily focused on advanced battery materials and specialty boron products.

Recent Developments

On February 21, 2017, Tronox Limited, The National Titanium Dioxide Company Ltd., a limited company organized under the laws of the Kingdom of Saudi Arabia ("Cristal"), and Cristal Inorganic Chemicals Netherlands Coöperatief W.A., a cooperative organized under the laws of the Netherlands and a wholly owned subsidiary of Cristal ("Seller"), entered into a Transaction Agreement (the "Transaction Agreement"), pursuant to which we agreed to acquire Cristal's titanium dioxide business for $1.673 billion in cash, subject to a working capital adjustment at closing (the "Cash Consideration"), plus 37,580,000 Class A ordinary shares ("Class A Shares"), par value $0.01 per share, of Tronox Limited (the "Cristal Transaction"). Following the closing of the Cristal Transaction, the Seller will own approximately 24% of the outstanding ordinary shares (including both Class A and Class B) of Tronox Limited.

The Transaction Agreement provides that we must pay to Cristal a termination fee of $100 million if all conditions to closing, other than the financing condition, have been satisfied and the Transaction Agreement is terminated because closing of the Cristal Transaction has not occurred by May 21, 2018. As a result of the refinancing (See Note 11 of notes to unaudited condensed consolidated financial statements), we expect to finance the Cristal Transaction with our cash on hand inclusive of restricted cash and liquidity from our asset-based syndicated revolving credit facility. The Cristal Transaction is also conditioned upon the receipt of various regulatory approvals, including antitrust clearance in numerous jurisdictions. On April 13, 2017, the U.S. Federal Trade Commission ("FTC") issued a Second Request to the Company and Cristal in connection with its filing under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and Tronox has substantially complied with the Second Request. The Cristal Transaction, which has been unanimously approved by our board of directors (the "Board"), is expected to close by the first quarter 2018, subject to regulatory approvals and satisfaction of customary closing conditions.

On September 1, 2017, we completed the previously announced sale of our wholly owned subsidiary Tronox Alkali Corporation ("Alkali") to Genesis Energy, L.P. for proceeds of approximately $1.325 billion in cash, subject to a customary post-closing working capital adjustment (the "Sale"). In connection with the Sale, we recognized a loss of $233 million, net of tax, during the three and nine months ended September 30, 2017. See Note 2. As a result of the Sale, Alkali's results of operations have been reported as discontinued operations (see Note 2). We have agreed unconditionally to guarantee the indemnification and performance of the obligations of Tronox U.S. Holdings Inc. ("Tronox Holdings"), a subsidiary of Tronox Limited, under the stock purchase agreement ("Purchase Agreement"). Both Tronox Holdings and Genesis Energy, L.P. have agreed, following the closing, to indemnify the other party for losses arising from certain breaches of the Purchase Agreement and for certain other liabilities, subject to certain limitations. On October 2, 2017, at a special meeting of shareholders of the Company held pursuant to the Transaction Agreement, the Company's shareholders approved a resolution to issue 37,580,000 Class A Shares to the Seller in connection with the acquisition of Cristal's TiO_2 business, and the resulting acquisition of interests in such Class A Shares by the Seller and certain other persons and entities, at the closing of such acquisition.

In 2012, our Class B ordinary shares ("Class B Shares") were issued to Exxaro Resources Limited ("Exxaro") and one of its subsidiaries in consideration for 74% of Exxaro's South African mineral sands business. Exxaro has agreed not to acquire any voting shares of Tronox Limited if, following such acquisition, Exxaro will have a voting interest in Tronox Limited of 50% or more unless Exxaro brings any proposal to make such an acquisition to the Board on a confidential basis. In the event an agreement regarding the proposal is not reached, Exxaro is permitted to make a takeover offer for all the shares of Tronox Limited not held by affiliates of Exxaro, subject to certain non-waivable conditions. At September 30, 2017 and December 31, 2016, Exxaro held approximately 43% and 44%, respectively, of the voting securities of Tronox Limited. See Note 18 for additional information regarding Exxaro transactions. On March 8, 2017, Exxaro announced its intention to begin pursuing a path to monetize its ownership stake in Tronox over time. On October 10, 2017, Exxaro sold 22,425,000 Class A ordinary shares in an underwritten registered offering (the "Exxaro Share Transaction"). Subsequent to the Exxaro Shares Transaction, Exxaro held approximately 24% of the Company's voting securities. Presently, Exxaro intends to sell the remainder of its Tronox shares in a staged process over time pursuant to the existing registration statement, subject to market conditions. Exxaro's sale of Class A ordinary shares does not impact their 26% ownership interest in each of our Tronox KZN Sands (Pty) Ltd. and Tronox Mineral Sands (Pty) Ltd subsidiaries.

During the fourth quarter of 2016, we implemented various steps of an internal corporate reorganization plan to simplify our corporate structure and thereby improve operational, administrative, and commercial synergies within each of our operating segments (the "Corporate Reorganization"). As a result of the Corporate Reorganization, we reduced our cross jurisdictional financing arrangements, eliminated administrative activities and reversed the deferred tax assets related to intercompany interest deductions. The related withholding tax accrual amounts were also reversed as a result of the Corporate Reorganization. Additionally, we reduced our deferred tax assets related to loss carryforwards which will no longer be available to utilize. In connection with the Corporate Reorganization during the first quarter of 2017, Tronox Limited became managed and controlled in the U.K., with no additional impacts to the consolidated provision for income taxes due to the valuation allowances in various jurisdictions. See Note 3 of notes to our unaudited condensed consolidated financial statements for additional information.

Business Environment

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

Our pigment business benefited from a global industry recovery that began in the first quarter of 2016. To meet healthy demand, we operated our pigment plants at high utilization rates while matching pigment production volumes to sales volumes and keeping inventory at or below normal levels. Global pigment pricing has rebounded with successive gains in each quarter since the first quarter of 2016. We believe pigment inventories, in the aggregate, are at or below normal levels at both customer and producer locations globally resulting in a continued tight supply-demand balance. We continue to use a significant majority of our high grade titanium feedstock for our pigment production and continued to reduce our titanium slag inventories. In addition, we expect zircon sales volumes in 2017 to exceed those of 2016 as we continue to ramp up production at our Fairbreeze mine to match market demand.

We continue to be uniquely tax-advantaged by favorable tax loss carry forwards and other favorable tax positions. We believe these tax-advantaged factors create opportunities for our operations to benefit for years to come. See Note 3 of notes to our unaudited condensed consolidated financial statements for additional information.

Consolidated Results of Operations from Continuing Operations

Three and Nine Months Ended September 30, 2017 compared to the Three and Nine Months Ended September 30, 2016

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2017	2016	Variance	2017	2016	Variance
	(Millions of U.S. dollars)					
Net sales	$ 435	$ 339	$ 96	$ 1,234	$ 957	$ 277
Cost of goods sold	329	291	38	971	877	94
Gross profit	106	48	58	263	80	183
Selling, general and administrative expenses	(55)	(47)	(8)	(186)	(135)	(51)
Restructuring income (expense)	—	(1)	1	1	(2)	3
Income (loss) from continuing operations	51	—	51	78	(57)	135
Interest and debt expense, net	(47)	(46)	(1)	(140)	(138)	(2)
Gain (loss) on extinguishment of debt	(28)	—	(28)	(28)	4	(32)
Other income (expense), net	12	(10)	22	5	(22)	27
Income (loss) from continuing operations before income taxes	(12)	(56)	44	(85)	(213)	128
Income tax provision	(13)	(6)	(7)	(10)	(25)	15
Net income (loss) from continuing operations	$ (25)	$ (62)	$ 37	$ (95)	$ (238)	$ 143

Net sales for the three months ended September 30, 2017 increased by 28% compared to the same period in 2016 due to higher selling prices for Pigment of $53 million, Zircon of $8 million and Pig Iron of $4 million. Higher volume and product mix for CP Slag of $12 million, Zircon of $4 million, Pig Iron of $8 million and Ilmenite of $2 million also contributed to the increase in net sales. There was also a favorable change in foreign currency translation of $5 million resulting from Pigment Sales. Volumes and product mix for Pigment were relatively flat.

Net sales for the nine months ended September 30, 2017 increased by 29% compared to the same period in 2016 primarily due to the impact of higher selling prices for Pigment of $142 million, Zircon of $7 million, Pig Iron of $11 million, Natural Rutile of $1 million and Ilmenite of $3 million. Higher volume and product mix for Pigment of $35 million, CP Slag of $34 million, Zircon of $24 million, Pig Iron of $6 million, Natural Rutile of $2 million and Ilmenite of $9 million also contributed to the increase in net sales for the nine months ended September 30, 2017. The impact from foreign currency translation versus the same period in 2016 was insignificant.

Our gross profit margin for the three months ended September 30, 2017 was 24% of net sales compared to 14% for the same period in 2016. The increase of $58 million was primarily due to higher selling prices of $68 million, higher volumes and product mix of $3 million, offset by the impact of higher production costs of $6 million and unfavorable changes in foreign currency translation of $7 million primarily from the South African Rand and Australian Dollar.

Our gross profit margin for the nine months ended September 30, 2017 was 21% of net sales compared to 8% of net sales during 2016. The increase of $183 million was primarily due to higher selling prices of $169 million, higher volumes and product mix of $30 million, the impact of lower production costs of $24 million due primarily to the benefits of vertical integration, offset by unfavorable changes in foreign currency translation of $40 million primarily from the Rand and Australian dollar.

Selling, general and administrative expenses increased by 17% during the three months ended September 30, 2017 compared to the same period of the previous year. Included in SG&A are $24 million and $17 million of corporate expenses for the three months ended September 30, 2017 and 2016, respectively. The $7 million increase in corporate expenses compared to the same period in 2016 was mainly due to higher professional fees of $13 million related to the Cristal Transaction offset by $5 million of Alkali transactional expenses that were reclassified to discontinued operations. Also contributing to the charge were higher other general and administrative costs of $2 million, and a reduction of employee stock-based and other compensation costs of $3 million. SG&A costs associated with our TiO_2 activities increased $1 million from the prior year period due primarily to unfavorable changes in foreign currency translation of $1 million.

Selling, general and administrative expenses increased by 38% during the nine months ended September 30, 2017 compared to the same period of the previous year. Included in SG&A are $91 million and $45 million of corporate expenses for the nine months ended September 30, 2017 and 2016, respectively. The $45 million increase in corporate expenses was due to higher professional fees of $33 million related to the Cristal Transaction, higher employee stock-based and other compensation costs of $10 million and higher other general and administrative costs of $3 million. Restructuring costs decreased by $1 million during the period. SG&A costs associated with our TiO_2 activities increased $5 million from the prior year period due primarily to higher employee stock-based and other compensation costs and unfavorable changes in foreign currency translation.

Income from operations for the three months ended September 30, 2017 was $51 million, $75 million from our TiO_2 activities offset by $24 million of corporate expenses. Income from operations for the three month period ended September 30, 2016 was $0, $17 million from our TiO2 activities offset by $17 million of corporate expenses. Income from our TiO2 activities increased by $58 million compared to the same period in 2016 primarily due to an increase in gross profit of $58 million offset by a $1 million increase in selling, general and administrative expenses and a $1 million decrease in restructuring costs. Corporate general and administrative expenses for the three months ended September 30, 2017 increased for the reasons noted above in the discussion of the SG&A expenses.

Income from operations for the nine months ended September 30, 2017 was $78 million, $168 million from our TiO_2 activities offset by $90 million of corporate expenses, $91 million of SG&A and a $1 million reversal of restructuring expense. Loss from operations for the nine month period ended September 30, 2016 was $57 million, a $12 million loss from our TiO2 activities and $45 million of corporate expenses. Income from our TiO2 activities increased by $180 million compared to the same period in 2016 primarily due to an increase in gross profit of $183 million offset by a $5 million increase in selling, general and administrative expenses and a $2 million decrease in restructuring costs. Corporate general and administrative expenses for the nine months ended September 30, 2017 increased for the reasons noted above in the discussion of the SG&A expenses.

Interest and debt expense, net for the three and nine months ended September 30, 2017 was consistent with the same period of 2016. See Note 11 of notes to unaudited condensed consolidated financial statements.

Gain (loss) on debt extinguishment - See Note 11 of notes to unaudited condensed consolidated financial statements.

Other income (expense), net for the three months ended September 30, 2017 primarily consisted of a net realized and unrealized foreign currency gain of $9 million and interest income of $3 million. Other income (expense), net for the three months ended September 30, 2016 primarily consisted of a net realized and unrealized foreign currency loss of $15 million, offset by a gain on sale of inventory produced during the commissioning phase of our Fairbreeze mine of $3 million and interest income of $1 million.

Other income (expense), net for the nine months ended September 30, 2017 primarily consisted of interest income of $5 million. Other income (expense), net during the nine months ended September 30, 2016 primarily consisted of a net realized and unrealized foreign currency loss of $28 million, partially offset by a gain on sale of inventory produced during the commissioning phase of our Fairbreeze mine of $3 million and interest income of $2 million.

During the three months ended September 30, 2017 we sold the Alkali segment of our operations. The Alkali results are now shown as discontinued operations and are not included in the tabular results above. The effective tax rate for the three months ended September 30, 2017 differs from both the three months ended September 30, 2016, and the nine months ended September 30, 2017 primarily due to the discrete results of reporting the effects of this sale.

The effective tax rate for the three and nine months ended September 30, 2017 differs from the U.K. statutory rate of 19% primarily due to valuation allowances and income in foreign jurisdictions taxed at rates different than 19%. The effective tax rate for the three and nine months ended September 30, 2016 differs from the Australian statutory rate of 30% primarily due to valuation allowances, income in foreign jurisdictions taxed at rates lower than 30%, and withholding tax accruals on interest income. The income tax provision for the three and nine months ended September 30, 2017 differs from the income tax provision for the three and nine months ended September 30, 2016 due to withholding tax accruals on interest income which we made during 2016.

Liquidity and Capital Resources

The following table presents our liquidity as of September 30, 2017 and December 31, 2016:

	September 30, 2017	December 31, 2016
Cash and cash equivalents	$ 1,058	$ 248
Available under the Wells Fargo Revolver	238	—
Available under the UBS Revolver	—	190
Available under the ABSA Revolver	—	95
Total	$ 1,296	$ 533

Historically, we have funded our operations and met our commitments through cash generated by operations. During 2012, 2015 and 2017, we issued a $900 million aggregate principal, 6.375% senior notes due 2020 at par value (the "Senior Notes due 2020") which was redeemed during the third quarter of 2017, a $600 million aggregate principal amount, 7.50% senior notes due 2022 (the "Senior Notes due 2022") and a 5.75% senior notes due 2025 for an aggregate principal amount of $450 million (the "Senior Notes due 2025"), respectively. Additionally, during 2013 and 2017 we obtained a $1.5 billion senior secured term loan (the " Prior Term Loan") which was repaid during the third quarter of 2017 and a $2.2 billion new senior secured first lien term loan facility (the "New Term Loan Facility"), respectively. See Note 11 of notes to unaudited condensed consolidated financial statements. In connection with the Cristal Transaction, we refinanced and increased our credit facilities lowering our cost of debt and extended the portfolio's weighted average years to maturity. Additionally, we improved our mix of secured and unsecured debt and achieved more favorable covenants. See Note 11 of notes to unaudited condensed consolidated financial statements.

As of and for the nine months ended September 30, 2017, the non-guarantor subsidiaries represented approximately 23% of our total consolidated liabilities, approximately 40% of our total consolidated assets, approximately 19% of our total consolidated net sales and approximately 38% of our Consolidated EBITDA (as such term is defined in the 2025 Indenture). In addition, as of September 30, 2017, our non-guarantor subsidiaries had $881 million of total consolidated liabilities (including trade payables but excluding intercompany liabilities), all of which would have been structurally senior to the 2025 Notes. See Note 11 of notes to unaudited condensed consolidated financial statements.

At September 30, 2017, we had outstanding letters of credit, bank guarantees, and performance bonds, see Note 13 of notes to unaudited condensed consolidated financial statements.

In the next twelve months, we expect that our operations and available borrowings under our revolving credit agreements will provide sufficient cash to fund our operating expenses, capital expenditures, interest payments, debt repayments, and dividends. Working capital (calculated as current assets of continuing operations less current liabilities of continuing operations) was $2.2 billion at September 30, 2017 compared to $614 million at December 31, 2016, an increase of $1.6 billion, which is primarily due to the sale of the Alkali business, the debt refinancing and cash provided by continuing operations of $94 million, partially offset by dividends paid of $17 million and capital expenditures of $63 million.

Principal factors that could affect the availability of our internally-generated funds include (i) the deterioration of our revenues; (ii) an increase in our expenses; or (iii) changes in our working capital requirements. See Note 1 to notes to condensed consolidated financial statements.

Principal factors that could affect our ability to obtain cash from external sources include (i) debt covenants that limit our total borrowing capacity; (ii) increasing interest rates applicable to our floating rate debt; (iii) increasing demands from third parties for financial assurance or credit enhancement; (iv)) credit rating downgrades, which could limit our access to additional debt; (v) a decrease in the market price of our common stock and debt obligations; or (vi) volatility in public debt and equity markets.

As of September 30, 2017, our credit rating with Moody's and Standard & Poor's was B1 stable outlook and B stable outlook, respectively. On August 24, 2017, Standard & Poor's upgraded our outlook to B stable outlook from B negative outlook. On September 7, 2017, Moody's upgraded our corporate credit rating to B1 stable outlook from B2 negative outlook. At September 30, 2017, we have sufficient borrowings available and have no significant principal payments on debt due until 2022.

Cash and Cash Equivalents

We consider all investments with original maturities of three months or less to be cash equivalents. As of September 30, 2017, our cash and cash equivalents were primarily invested in money market funds. We maintain cash and cash equivalents in bank deposit and money market accounts that may exceed federally insured limits. The financial institutions where our cash and cash equivalents are held are generally highly rated and geographically dispersed, and we have a policy to limit the amount of credit exposure with any one institution. We have not experienced any losses in such accounts and believe we are not exposed to significant credit risk.

The use of our cash includes servicing our interest and debt repayment obligations, making pension contributions and making quarterly dividend payments.

Repatriation of Cash

At September 30, 2017, we held $1.7 billion in cash and cash equivalents and restricted cash in these respective jurisdictions: $31 million in Europe, $75 million in Australia, $145 million in South Africa, and $1.5 billion in the U.S. Our credit facilities limit transfers of funds from subsidiaries in the U.S. to certain foreign subsidiaries.

Tronox Limited has foreign subsidiaries with positive undistributed earnings at September 30, 2017. We have made no provision for deferred taxes related to these undistributed earnings because they are considered to be indefinitely reinvested in the foreign jurisdictions.

Cash Dividends on Class A and Class B Shares

On November 8, 2017, the Board declared a quarterly dividend of $0.045 per share to holders of our Class A Shares and Class B Shares at the close of business on November 20, 2017, totaling $5 million, which will be paid on December 1, 2017. See Note 14 of notes to unaudited condensed consolidated financial statements for declared and paid quarterly dividends by quarter.

Debt Obligations

At September 30, 2017 and December 31, 2016, our excess of our debt over cash and cash equivalents was $2.1 billion and $2.8 billion, respectively.

We did not have an outstanding balance on our short-term debt at September 30, 2017 and had $150 million of such debt at December 31, 2016. At September 30, 2017 and December 31, 2016, our long-term debt, net of an unamortized discount was $3.2 billion and $2.9 billion, respectively. See Note 11 of notes to unaudited condensed consolidated financial statements for specific debt information.

Cash Flows

The following table presents cash flow for the periods indicated:

	Nine Months Ended September 30, 2017	2016
	(Millions of U.S. dollars)	
Net cash provided by operating activities	$ 94	$ 13
Net cash provided by (used in) investing activities	612	(58)
Net cash provided by (used in) financing activities	20	(68)
Net cash provided by discontinued operations	82	83
Effect of exchange rate changes on cash	2	3
Net increase (decrease) in cash and cash equivalents	$ 810	$ (27)

Cash Flows provided by Operating Activities — Net cash provided by operating activities for the nine months ended September 30, 2017 increased by $81 million compared to the same period in 2016 primarily due to higher cash earnings.

Cash Flows provided by (used in) Investing Activities — Net cash provided by investing activities for the nine months ended September 30, 2017 was $612 million compared to cash used in investing activities of $58 million for the same period in 2016. The increase was primarily due to the proceeds of $1.325 billion received from the Sale, partially offset by the $650 million Blocked Term Loan under the New Term Loan Facility which is included in “Restricted cash” in the Condensed Consolidated Balance Sheets at September 30, 2017. Capital expenditures were $4 million higher compared to the same period in 2016.

Cash Flows provided by (used in) Financing Activities — Net cash provided by financing activities of $20 million during the nine months ended September 30, 2017 was primarily attributable to the proceeds from long-term debt of $2.6 billion, partially offset by repayments of short term and long term debt of $2.5 billion, debt issuance costs of $36 million and a call premium payment of $14 million. The nine months ended September 30, 2017 also included dividends paid of $17 million and $11 million of restricted stock and performance-based shares settled in cash for taxes. Net cash used in financing activities of $68 million during the nine months ended September 30, 2016 was primarily attributable to dividends paid of $40 million and principal repayments on long-term debt of $27 million.

Contractual Obligations

The following table sets forth information relating to our contractual obligations as of September 30, 2017:

	Contractual Obligation Payments Due by Year [3][4]				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
	(Millions of U.S. dollars)				
Long-term debt, net and lease financing (including interest) [1]	$ 4,262	$ 178	$ 373	$ 931	$ 2,780
Purchase obligations [2]	399	134	109	55	101
Operating leases	44	19	12	6	7
Asset retirement obligations	82	4	5	5	68
Total	$ 4,787	$ 335	$ 499	$ 997	$ 2,956

(1) We calculated the New Term Loan Facility interest at a base rate of 1.3% plus a margin of 3.0%. See Note 11 of notes to unaudited condensed consolidated financial statements.

(2) Includes obligations to purchase requirements of process chemicals, supplies, utilities and services. We have various purchase commitments for materials, supplies, and services entered into in the ordinary course of business. Included in the purchase commitments table above are contracts which require minimum volume purchases that extend beyond one year or are renewable annually and have been renewed for 2017. Certain contracts allow for changes in minimum required purchase volumes in the event of a temporary or permanent shutdown of a facility. We believe that all of our purchase obligations will be utilized in our normal operations.

(3) The table above excludes contingent obligations, as well as any possible payments for uncertain tax positions given the inability to estimate the possible amounts and timing of any such payments.

(4) The table above excludes commitments pertaining to our pension and other postretirement obligations.

Non-U.S. GAAP Financial Measures

EBITDA and Adjusted EBITDA, which are used by management to measure performance, are not presented in accordance with U.S. GAAP. Management believes that EBITDA is useful to investors, as it is commonly used in the industry as a means of evaluating operating performance. 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. Since 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 noncash, infrequently occurring, or non-recurring in nature;
- Assist investors in assessing our compliance 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. In addition, Adjusted EBITDA is a factor in evaluating management's performance when determining incentive compensation.

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

	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
	(Millions of U.S. dollars)			
Net income (loss), (U.S GAAP),	$ (241)	$ (39)	$ (274)	$ (183)
Income (loss) from discontinued operations, net of tax (see Note 2), (U.S GAAP),	(216)	23	(179)	55
Net income (loss) from continuing operations, (U.S GAAP),	(25)	(62)	(95)	(238)
Interest and debt expense, net	47	46	140	138
Interest income	(3)	—	(5)	(2)
Income tax provision	13	6	10	25
Depreciation, depletion and amortization expense	45	45	136	131
EBITDA (non-U.S. GAAP)	77	35	186	54
Share based compensation [a]	5	8	26	18
Transaction costs [b]	13	—	33	—
Restructuring (income) expense [c]	—	1	(1)	2
(Gain) loss on extinguishment of debt [d]	28	—	28	(4)
Foreign currency remeasurement [e]	(5)	14	1	32
Other items [f]	5	—	12	4
Adjusted EBITDA (non-U.S. GAAP) [g]	$ 123	$ 58	$ 285	$ 106

(a) Represents non-cash share-based compensation. See Note 16 of notes to unaudited condensed consolidated financial statements.

(b) Represents transaction costs associated with the Cristal Transaction which were recorded in "Selling, general and administrative expenses" in the unaudited Condensed Consolidated Statements of Operations.

(c) Represents severance and other costs associated with the shutdown of our sodium chlorate plant, and other global restructuring efforts which was recorded in "Restructuring income (expense)" in the unaudited Condensed Consolidated Statements of Operations.

(d) Represents a $28 million loss which includes a $22 million loss associated with the redemption of the outstanding balance of the Senior Notes due 2020, $1 million of unamortized original debt issuance costs from the repayment of the UBS Revolver, and $5 million of debt issuance costs from the refinancing activities associated with the term loans. During 2016, the $4 million gain was associated with the repurchase of $20 million face value of our Senior Notes due 2020 and Senior Notes due 2022. These amounts were recorded in "Gain (loss) on extinguishment of debt" in the unaudited Condensed Consolidated Statements of Operations.

(e) Represents foreign currency remeasurement which is included in "Other income (expense), net" in the unaudited Condensed Consolidated Statements of Operations.

(f) Includes noncash pension and postretirement costs, severance expense, accretion expense, insurance settlement gain and other items included in "Selling general and administrative expenses" and "Cost of goods sold" in the unaudited Condensed Consolidated Statements of Operations.

(g) No income tax impact given full valuation allowance except for South Africa related restructuring costs. See Note 3 to unaudited condensed consolidated financial statements.

The following table reconciles income (loss) from continuing operations, our comparable measure for segment reporting under U.S. GAAP, to Adjusted EBITDA by segment for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	**2016**	**2017**	**2016**
TiO_2 segment	$ 75	$ 17	$ 168	$ (12)
Corporate	(24)	(17)	(90)	(45)
Income (loss) from continuing operations (U.S. GAAP)	51	—	78	(57)
TiO_2 segment	44	44	132	127
Corporate	1	1	4	4
Depreciation, depletion and amortization expense	45	45	136	131
TiO_2 segment	17	15	44	41
Corporate	10	(2)	27	(9)
Other	27	13	71	32
TiO_2 segment	136	76	344	156
Corporate	(13)	(18)	(59)	(50)
Adjusted EBITDA (non-U.S. GAAP)	$ 123	$ 58	$ 285	$ 106

Recent Accounting Pronouncements

See Note 1 of notes to unaudited condensed consolidated financial statements for recently issued accounting pronouncements.

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 believe we are in compliance with applicable environmental rules and regulations in all material respects.

Item 3. 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 transactions for hedging purposes in order to reduce the exposure to fluctuations in interest rates, natural gas prices or exchange rates.

Market 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. Our TiO_2 prices may do so in the near term as ore prices and pigment prices are expected to fluctuate over the next few years. We try 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, as well as using varying contract term lengths and selling to a diverse mix of customers by geography and industry to reap the benefits of a diverse portfolio.

Credit Risk

Credit risk is the risk that a borrower or a counterparty will fail to meet their obligations. A significant portion of our liquidity is concentrated in trade accounts receivable that arise from sales of our products to customers. We perform ongoing credit evaluations of our customers and use credit risk insurance policies from time to time, as deemed appropriate, to mitigate credit risk but generally do not require collateral. Our contracts typically enable us to tighten credit terms if we perceive additional credit risk and historic losses due to write offs of bad debt have been relatively low. In addition, due to our international operations in our TiO_2 segment, we are subject to potential trade restrictions and sovereign risk in certain countries we operate in. We maintain allowances for potential credit losses based on specific customer review and current financial conditions.

During the three months ended September 30, 2017 and 2016, our ten largest third-party customers represented approximately 35% and 25%, respectively, of our consolidated net sales. During the nine months ended September 30, 2017 and 2016, our ten largest third-party customers represented approximately 36% and 23%, respectively, of our consolidated net sales.

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will impact our financial results. We are exposed to interest rate risk on our floating rate debt, the New Term Loan Facility and Wells Fargo Revolver balance. Using a sensitivity analysis as of September 30, 2017, a hypothetical 1% increase in interest rates would result in a net increase to pre-tax loss of approximately $4 million on an annualized basis. This is due to the fact that earnings on our floating rate financial assets of $1.7 billion at September 30, 2017 and the interest expense on our floating rate debt, our New Term Loan Facility and Wells Fargo Revolver balance, would each increase by the full 1%.

Currency Risk

Currency risk arises from the possibility that fluctuations in foreign exchange rates will impact the value of our assets and liabilities denominated in foreign currencies, as well as our earnings due to the translation of our balance sheets and remeasurement of our statements of operations from local currencies to U.S. dollars. We manufacture and market our products in a number of countries throughout the world and, as a result, are exposed to changes in foreign currency exchange rates, particularly in Australia, South Africa, and the Netherlands. The exposure is more prevalent in South Africa and Australia as the majority of revenues are earned in U.S. dollars while expenses are primarily incurred in local currencies. Since we are exposed to movements in the South African Rand and the Australian Dollar versus the U.S. dollar, we may enter into forward contracts to buy and sell foreign currencies as “economic hedges” for these foreign currency transactions.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of September 30, 2017, our management, with the participation of our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), has conducted an evaluation of our disclosure controls and procedures. Based on that evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of September 30, 2017.

Under the supervision of and with the participation of Tronox's management, including our CEO and CFO, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) (the "Exchange Act"), as of September 30, 2017, the end of the period covered by this report. Based on that evaluation, we have concluded that the Company's disclosure controls and procedures were effective as of that date. Tronox's disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by Tronox in the reports that it files or submits under the Exchange Act is accumulated and communicated to Tronox's management, including Tronox's principal executive and principal financial officers, or other persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

An evaluation of our internal controls over financial reporting was also performed to determine whether any changes have occurred during the period covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Changes in Internal Control over Financial Reporting

There have been no changes to our internal control over financial reporting during the quarter ended September 30, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may be party to a number of legal and administrative proceedings involving environmental and/or other matters in various courts or agencies. These proceedings, individually and in the aggregate, may have a material adverse effect on us. These proceedings may be associated with facilities currently or previously owned, operated or used by us and/or our predecessors, some of which may include claims for personal injuries, property damages, cleanup costs and other environmental matters. Our current and former operations may also involve management of regulated materials, which are subject to various environmental laws and regulations including the Comprehensive Environmental Response Compensation and Liability Act, the Resource Conservation and Recovery Act or state equivalents. Similar environmental laws and regulations and other requirements exist in foreign countries in which we operate.

Item 1A. Risk Factors

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed under "Risk Factors" included in our Annual Report on Form 10-K and in our Form 10-Q for the three months ended June 30, 2017. The risks described herein, in the Form 10-K or in the Form 10-Q for the three months ended June 30, 2017 are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results. There have been no changes from the risk factors disclosed under the heading "Risk Factors" in our Form 10-K and our Form 10-Q for the three months ended June 30, 2017, except as noted below.

The classification of TiO_2 as a Category 2 Carcinogen in the European Union could result in more stringent regulatory control with respect to TiO_2.

In May 2016, France's competent authority under the EU's Registration, Evaluation, Authorization and Restrictions of Chemicals ("REACH") submitted a proposal to the European Chemicals Agency ("ECHA") that would classify TiO_2 as carcinogenic in humans by inhalation. The Company together with other companies and trade associations representing the TiO_2 industry and industries consuming our products, submitted comments opposing the classification, based on evidence from epidemiological and other scientific studies. On October 12, 2017, ECHA's Committee for Risk Assessment ("RAC") released a written opinion dated September 14, 2017 stating that based on the scientific evidence it reviewed, there is sufficient grounds to classify $TiO\text{-}_2$ under the EU's Classification, Labelling and Packaging Regulation ("CLP") as a Category 2 Carcinogen , but only with a hazard statement describing the risk by inhalation. The European Commission will review the RAC's formal recommendation to determine what regulatory measures, if any, should be taken. If the European Commission decides to adopt this classification, it could require that products manufactured with TiO_2 be classified as containing carcinogenic materials, which could impact our business by inhibiting the marketing of products containing TiO_2 to consumers, and subject our manufacturing operations to new regulations that could increase costs. Any classification, use restriction or authorized requirement for use imposed by the ECHA could have additional effects under other EU laws (e.g., those affecting medical and pharmaceutical applications, cosmetics, food packaging and food additives) and/or trigger heightened regulatory scrutiny in countries and local jurisdictions outside the EU based on health and safety grounds. It is also possible that heightened regulatory scrutiny would lead to claims by consumers or those involved in the production of such products alleging adverse health impacts.

Our ability to use NOLs to offset future income may be limited.

The Company's ability to use any net operating losses ("NOLs") generated by it could be substantially limited if the Company were to experience an "ownership change" as defined under Section 382 of the Code. In general, an "ownership change" would occur if the Company's "5-percent shareholders," as defined under Section 382 of the Code, including certain groups of persons treated as "5-percent shareholders," collectively increased their ownership in the Company by more than 50 percentage points over a rolling three-year period. On October 10, 2017, Exxaro sold 22,425,000 Class A ordinary shares in an underwritten registered offering (the "Exxaro Share Transaction"). The Exxaro Share Transaction and the issuance of the Class A ordinary shares to Cristal Netherlands in connection with the Cristal Transaction may result in an "ownership change" for U.S. federal and applicable state income tax purposes. Should Exxaro decide to sell a significant portion of their remaining ownership in the future, an "ownership change" will most likely occur. A corporation that experiences an ownership change will generally be subject to an annual limitation on the use of its pre-ownership change NOLs (and certain other losses and/or credits) equal to the equity value of the corporation immediately before the ownership change, multiplied by the long-term tax-exempt rate for the month in which the ownership change occurs. Although our NOLs continue to have full valuation allowances, such a limitation could, for any given year, have the effect of increasing the amount of our U.S. federal income tax liability, which would negatively impact the amount of after-tax cash available for distribution to holders of our ordinary shares and our financial condition.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Information regarding mine safety and other regulatory actions at our mine in Green River, Wyoming, operated in conjunction with the Alkali business (which was sold on September 1, 2017), is included in Exhibit 95 to this Form 10-Q.

Item 5. Other Information

None.

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Item 6. Exhibits

Exhibit No.	
4.1	Ninth Supplemental Indenture, dated as of September 1, 2017, to the Indenture, dated August 20, 2012 among Tronox Finance LLC, as Issuer, Tronox Limited as Parent, the guarantors named therein and Wilmington Trust, National Association, as trustee. (incorporated by reference to Exhibit 4.1 of the Current Report on Form 8-K filed by Tronox Limited on September 6, 2017).
4.2	Fifth Supplemental Indenture, dated as of September 1, 2017, to the Indenture, dated March 19, 2015 among Tronox Finance LLC, as Issuer, Tronox Limited as Parent, the guarantors named therein and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.2 of the Current Report on Form 8-K filed by Tronox Limited on September 6, 2017).
4.3	Indenture, dated as of September 22, 2017 among Tronox Finance plc, the Company and the other guarantors named therein and Wilmington Trust, National Association, as trustee. (incorporated by reference to Exhibit 4.1 of the Current Report on Form 8-K filed by Tronox Limited on September 25, 2017).
10.1	Revolving Syndicated Facility Agreement, dated as of September 22, 2017 among the Company, Tronox US Holdings Inc. and certain of the Company's other subsidiaries along with a syndicate of lenders and Wells Fargo Bank, National Association, as issuing bank, swingline lender, administrative agent, and collateral agent. (incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed by Tronox Limited on September 25, 2017).
10.2	First Lien Term Loan Credit Agreement, dated as of September 22, 2017 among Tronox Finance LLC and its unrestricted subsidiary Tronox Blocked Borrower LLC, and certain of the Company's other subsidiaries, along with a syndicate of lenders and Bank of America, N.A. as administrative agent and collateral agent. (incorporated by reference to Exhibit 10.2 of the Current Report on Form 8-K filed by Tronox Limited on September 25, 2017).
31.1	Rule 13a-14(a) Certification of Peter Johnston.
31.2	Rule 13a-14(a) Certification of Timothy Carlson.
32.1	Section 1350 Certification for Peter Johnston.
32.2	Section 1350 Certification for Timothy Carlson.
95	Mine Safety Disclosures.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 9, 2017

TRONOX LIMITED
(Registrant)

By:	/s/ Timothy Carlson
Name:	Timothy Carlson
Title:	Senior Vice President and Chief Financial Officer

EXHIBIT 31.1

SECTION 302 CERTIFICATION

I, Peter Johnston, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2017 of Tronox Limited (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: November 9, 2017

/s/ Peter Johnston

Peter Johnston
Chief Executive Officer

EXHIBIT 31.2

SECTION 302 CERTIFICATION

I, Timothy Carlson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2017 of Tronox Limited (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: November 9, 2017

/s/ Timothy Carlson

Timothy Carlson
Senior Vice President and Chief Financial Officer

EXHIBIT 32.1

**WRITTEN STATEMENT OF CHIEF EXECUTIVE OFFICER
FURNISHED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002 (18 USC. SECTION 1350)
AND FOR THE PURPOSE OF COMPLYING WITH RULE 13a-14(b)
OF THE SECURITIES EXCHANGE ACT OF 1934.**

November 9, 2017
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Pursuant to 18 U.S.C. § 1350, the undersigned officer of Tronox Limited (the "Registrant") hereby certifies that the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Peter Johnston

Peter Johnston
Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.

EXHIBIT 32.2

**WRITTEN STATEMENT OF PRINCIPAL FINANCIAL OFFICER
FURNISHED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002 (18 USC. SECTION 1350)
AND FOR THE PURPOSE OF COMPLYING WITH RULE 13a-14(b)
OF THE SECURITIES EXCHANGE ACT OF 1934**.

November 9, 2017
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Pursuant to 18 U.S.C. § 1350, the undersigned officer of Tronox Limited (the "Registrant") hereby certifies that the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Timothy Carlson
Timothy Carlson
Senior Vice President and Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 95

MINE SAFETY DISCLOSURES

Section 1503 of the Dodd-Frank Act contains new reporting requirements regarding coal or other mine safety. We operated a mine in conjunction with the Alkali business (which was sold on September 1, 2017) at the Green River, Wyoming facility, which is subject to regulation by the Mine Safety and Health Administration ("MSHA") under the Federal Mine Safety and Health Act of 1977 (the "Mine Act"), and is therefore subject to these reporting requirements. Presented in the table below is information regarding certain mining safety and health citations which MSHA has issued with respect to those operation as required by the Dodd-Frank Act. In evaluating this information, consideration should be given to the fact that citations and orders can be contested and appealed, and in that process, may be reduced in severity, penalty amount or sometimes dismissed (vacated) altogether.

The letters used as column headings in the table below correspond to the explanations provided underneath the table as to the information set forth in each column with respect to the numbers of violations, orders, citations or dollar amounts, as the case may be, during the period of Tronox's ownership during third quarter 2017 unless otherwise indicated.

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
Mine or Operating Name/ MSHA Identification Number	Section 104 S&S Citations (#)	Section 104(b) Orders (#)	Section 104(d) Citations and Orders (#)	Section 110(b)(2) Violations (#)	Section 107(a) Orders (#)	Total Dollar Value of MSHA Assessments Proposed ($)	Total Number of Mining Related Fatalities (#)	Received Notice of Pattern of Violations Under Section 104(e) (yes/no)	Received Notice of Potential to Have Pattern Under Section 104(e) (yes/no)	Legal Actions Pending as of Last Day of Period (#)	Legal Actions Initiated During Period (#)	Legal Actions Resolved During Period (#)
Tronox-Alkali at Westvaco MSHA I.D. No.: 48-00152	12	0	0	0	0	$ 15,308	0	No	No	0	0	0

(A) The total number of violations of mandatory health or safety standards that could significantly and substantially contribute to the cause and effect of a coal or other mine safety and health hazard under section 104 of the Mine Act for which the operator received a citation from MSHA.

(B) The total number of orders issued under section 104(b) of the Mine Act.

(C) The total number of citations and orders for unwarrantable failure of the operator to comply with mandatory health or safety standards under section 104(d) of the Mine Act.

(D) The total number of flagrant violations under section 110(b)(2) of the Mine Act.

(E) The total number of imminent danger orders issued under section 107(a) of the Mine Act.

(F) The total dollar value of proposed assessments from the MSHA under the Mine Act. Only includes assessments proposed on citations issued during the period of Tronox's ownership in the third quarter.

(G) The total number of mining related fatalities.

(H) During the portion of the third quarter ending September 1, 2017, when Tronox's ownership ended, the mine did not receive Notice of Pattern of Violations under Section 104(e)

(I) During the portion of the third quarter ending September 1, 2017, when Tronox's ownership ended, the mine did not receive Notice of a Potential to have a Pattern of Violations Under Section 104(e)

(J) Includes all legal actions before the Federal Mine Safety and Review Commission, together with the Administrative Law Judges thereof, for our operations.

(K) The total number of legal actions were initiated by us to contest citations, orders or proposed assessments issued by the federal Mine Safety and Health Administration during the period of Tronox's ownership in the third quarter 2017.

(L) Previously initiated legal action to contest citations, orders or proposed assessments issued by the federal Mine Safety and Health Administration, which if successful, could result in the reduction or dismissal of those citations, orders or assessments, resolved during the period.