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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

_____)	
In re:)	Chapter 11
)	
TRONOX INCORPORATED, <i>et al.</i> ,)	Case No. 09-10156 (ALG)
)	
Debtors.)	Jointly Administered
_____)	

**NOTICE OF FILING ANNUAL REPORT AND ACCOUNT OF THE
TRONOX INCORPORATED TORT CLAIMS TRUST
FOR THE YEAR ENDING DECEMBER 31, 2017**

Pursuant to Section 3.7(b)(i) of the Tronox Incorporated Tort Claims Trust Agreement (the “**Trust Agreement**”), the Trustee of the Tronox Incorporated Tort Claims Trust (the “**Trust**”), hereby gives notice of the filing of the Trust’s Annual Report and Account for the year ending December 31, 2017 (the “**Annual Report**”), a copy of which is attached hereto as Exhibit 1.

Consistent with Section 3.7(b) of the Trust Agreement, the Annual Report includes the assets and liabilities of the Tort Claims Trust as of the end of the year and the receipts and disbursements of the Tort Claims Trust for the preceding year, a summary of the number and type of claims disposed of during the preceding year, a general description of the activities of the Tort Claims Trust, the amount of compensation paid to the Tort Claims Trustee for the preceding

year, and financial statements of the Tort Claims Trust audited by a firm of independent certified public accountants.

As required by Section 3.7(b)(i) of the Trust Agreement, a copy of the Annual Report is being served on Reorganized Tronox, the Delaware Trustee, and the Trust Advisory Committee. In addition, pursuant to Section 3.7(b)(i), this report is available for inspection in accordance with procedures established by the Bankruptcy Court, and shall also be filed with the Office of the United States Trustee for the Southern District of New York.

Dated: April 30, 2018

Respectfully submitted:

/s/ Bethany P. Recht
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EXHIBIT 1

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	Chapter 11
)	
TRONOX, INC., <i>et al.</i> ,)	Case No. 09-10156 (ALG)
)	
Debtors.)	Jointly Administered

**ANNUAL REPORT AND ACCOUNT OF THE
TRONOX INCORPORATED TORT CLAIMS TRUST
FOR THE YEAR ENDING DECEMBER 31, 2017**

I. INTRODUCTION

The Tronox Incorporated Tort Claims Trust (the “**Tort Claims Trust**” or “**Trust**”), created pursuant to the First Amended Joint Plan of Reorganization under Chapter 11 of the United States Bankruptcy Code for Tronox, Inc., *et al.* (“**Plan of Reorganization**”), through its Trustee, the Garretson Resolution Group, Inc. (the “**Tort Claims Trustee**”), hereby files this Annual Report and Account of the Tort Claims Trust (the “**Annual Report**”) in accordance with Section 3.7(b) of the Tronox Incorporated Tort Claims Trust Agreement dated as of February 14, 2011 (the “**Trust Agreement**”).

This Annual Report summarizes the actions taken on behalf of the Tort Claims Trust during the period from January 1, 2017 to December 31, 2017 (the “**Reporting Period**”) and contains the following information: (1) the assets and liabilities of the Tort Claims Trust as of the end of the year and the receipts and disbursements of the Tort Claims Trust for the preceding year, (2) a summary of the number and types of claims disposed of during the preceding year, (3) a general description of the activities of the Tort Claims Trust, (4) the amount of compensation paid to the Tort Claims Trustee for the preceding year, and (5) financial statements of the Tort Claims Trust audited by a firm of independent certified public accountants selected by the Tort Claims Trustee and accompanied by an opinion of such firm as to the fairness of the

financial statements' presentation of the cash and investments available for the payment of Tort Claims and as to the conformity of the financial statements with generally accepted accounting principles.

II. BACKGROUND

On January 12, 2009 (the "**Petition Date**"), Tronox Incorporated and certain of its subsidiaries and affiliates ("**Tronox**") filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**"). On November 30, 2010, this Court entered an order confirming the Plan of Reorganization. On February 14, 2011, the Effective Date of the Plan occurred, and the Plan of Reorganization was substantially consummated. Pursuant to the Plan of Reorganization, the Trust was created in order to assume the liabilities of the Tronox Debtors arising from or relating to all Tort Claims (as that term is defined in the Plan of Reorganization) and to use the Tort Claims Trust Distributable Amount to pay holders of Allowed Tort Claims in accordance with the Plan of Reorganization, the Trust Agreement, and the Tort Claims Trust Distribution Procedures ("**TDP**") and in a manner that is fair, reasonable, and equitable in light of the limited assets available to satisfy the Tort Claims.

1. Trustee

The Tort Claims Trustee is Garretson Resolution Group, Inc. The Tort Claims Trustee administers the Trust, and acts solely in a fiduciary capacity and in accordance with the Trust Agreement.

2. Trust Advisory Committee

The Trust Advisory Committee (“TAC”) is comprised of three members: Ms. Jill A. Moran, Mr. Matthew Slocum, and Mr. Anthony W. Merrill. The TAC represents the interests of all Holders of Tort Claims for the purpose of protecting the rights of such persons.

3. The Delaware Trustee

The Delaware Trustee’s sole and limited purpose is to fulfill the requirements of Section 3807 of Chapter 38 of title 12 of the Delaware Code. The Wilmington Trust Company serves as the Delaware Trustee.

4. Trust Distribution Procedures

The Tort Claims Trust processes Tort Claims pursuant to the Tronox Incorporated Tort Claims Trust Distribution Procedures.

III. ANNUAL REPORT AND ACCOUNT

Section 3.7(b)(i) of the Trust Agreement requires the Annual Report to include:

(1) the assets and liabilities of the Tort Claims Trust as of the end of the year and the receipts and disbursements of the Tort Claims Trust for the preceding year, (2) a summary of the number and type of claims disposed of during the preceding year, (3) a general description of the activities of the Tort Claims Trust, (4) the amount of compensation paid to the Tort Claims Trustee for the preceding year, and (5) financial statements of the Tort Claims Trust (including, without limitation, a balance sheet of the Tort Claims Trust as of the end of such fiscal year and a statement of operations for such fiscal year) audited by a firm of independent certified public accountants selected by the Tort Claims Trustee and accompanied by an opinion of such firm as to the fairness of the financial statements’ presentation of the cash and investments available for the payment of Tort Claims and as to the conformity of the financial statements with generally accepted accounting principles. The Tort Claims Trustee shall provide a copy of each annual report to Reorganized Tronox, the Delaware Trustee, and the TAC when such reports are filed with the Bankruptcy Court.

Accordingly, the Tort Claims Trustee reports the following:

1. Financial Information

Attached hereto as Exhibit A is a copy of the audited financial statements of the Trust for the Reporting Period. The audited financial statements were prepared externally by BDO USA, LLP, an accounting and business consulting firm with offices in multiple states. Accompanying the audited financial statements is an opinion of BDO USA, LLP as to the fairness of the financial statements' presentation of the cash and investments available for the payment of Tort Claims and as to the conformity of the financial statements with generally accepted accounting principles.

2. Assets/Liabilities and Receipts/Disbursements

The assets and liabilities and receipts and disbursements of the Tort Claims Trust for the reporting period can be found in the Trust's audited financial statements attached hereto as Exhibit A.

3. Trustee Compensation

As required by Section 3.7(b)(i) of the Trust Agreement, the amount paid in fees to the Tort Claims Trustee is set forth in the audited financial statements, which are attached hereto as Exhibit A.

4. TAC Compensation

As required by Section 6.6 of the Trust Agreement, the compensation and expenses of the TAC can be found in the audited financial statements attached hereto as Exhibit A.

5. Claims Processing and Summary of Claims

Section 3.7(b)(1) of the Trust Agreement requires the Annual report to include "a summary of the number and type of claims disposed of during the preceding year." Attached as Exhibit B is a summary of the claims processed and paid during the 2017 fiscal year.

6. Other Activities of the Tort Claims Trust

A. Claims Processing Related Matters

By June 2016, the Trust had received over 15,000 claims filed as Future Tort Claims. The Trust determined that the terms of the Plan, Trust Agreement, and TDP were ambiguous as to the standard that should be applied by the Trust in allowing or disallowing these filed claims. On June 30, 2016 the Trust filed a Motion with the Bankruptcy Court seeking instructions as to how the Trust should handle these claims. After an evidentiary hearing, the Bankruptcy Court entered an order on January 19, 2017, whereby the Court defined the term “Future Tort Claim” for the Trustee to use in the consideration of claims filed against the Trust, established a procedure by which the Trust is to determine if a claim should be allowed as a Future Tort Claim, and established a procedure by which a claimant can challenge the Trust’s determination of his or her claim by filing a motion with the Bankruptcy Court. Over 4,300 motions were filed with the Bankruptcy Court as of December 31, 2017. On April 25, 2018, the Trust filed an omnibus objection with the Bankruptcy Court requesting that the Court deny all of these motions.

Additionally, the Trust responded to a request (the “**Motion**”) filed by Queen Vaughn in the United States Bankruptcy Court for the Southern District of New York to allow Ms. Vaughn to file a late proof of claim in the Tronox Incorporated chapter 11 bankruptcy case, which case was closed by an order entered by the Bankruptcy Court on September 30, 2015. If the Motion were to be granted, Ms. Vaughn’s claim would be considered and administered as a claim filed as a Category D Claim under the TDP. The Bankruptcy Court denied the Motion by an order entered on February 26, 2016. Ms. Vaughn filed a notice of appeal on April 7, 2016. On January 13, 2017, the District Court dismissed that appeal as untimely. Ms. Vaughn filed a

timely Notice of Appeal to the Second Circuit Court of Appeals. On May 19, 2017, the Second Circuit entered an order dismissing the appeal, without need of the Trust to file a brief, because the appeal “lacked an arguable basis in law or fact.” Vaughn filed a motion to reconsider, which the Court denied as defective. Vaughn filed a motion to cure the defect, which was also denied by an order entered on June 22, 2017. The Second Circuit issued its Mandate to the District Court on July 7, 2017.

B. First National Community Bank Litigation

As set forth in the Trust’s prior Annual Reports, the Trust was a defendant in a declaratory judgment action filed by First National Community Bank (“**FNCB**”). This lawsuit, captioned *First National Community Bank v. The Garretson Firm Resolution Group, Inc.*, Case No. A1201113, pending in the Court of Common Pleas, Hamilton County, Ohio, did not seek any monetary damages but instead asked the Court to order that certain proceeds from the Trust be paid to Plaintiff rather than alleged debtor and co-defendant, the Powell Law Group (“**PLG**”). The Trust agreed to the entry of an injunction to this effect. Since the action was filed, several additional parties intervened as plaintiffs, also alleging a claim to certain proceeds from the Trust to be paid to PLG. All claims by the intervening plaintiffs and FNCB have been resolved except for those asserted by Montgomery McCracken Walker & Rhoads, LLC (“**MMWR**”). On August 26, 2016, the Court granted MMWR’s motion for summary judgment and entered a declaratory judgment establishing an attorney’s lien in the amount of \$2,951,316.06, plus pre-judgment and post-judgment interest, over the funds being held by the Trust pursuant to the injunction. PLG appealed to the Ohio Court of Appeals, First Appellate District, Case No. C-1600745. By Opinion dated September 13, 2017, the First Appellate District affirmed the judgment. In accordance therewith, the Trust released the full judgment amount to MMWR on

October 6, 2017. A Satisfaction of Judgment was filed on November 9, 2017 and the injunction was dissolved on November 6, 2017.

IV. CONCLUSION

This summarizes the actions taken on behalf of the Tort Claims Trust for the year ending December 31, 2017.

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Tronox Incorporated Tort Claims Trust

Special-Purpose Financial Statements
Years Ended December 31, 2017 and 2016

Tronox Incorporated Tort Claims Trust

Special-Purpose Financial Statements
Years Ended December 31, 2017 and 2016

Tronox Incorporated Tort Claims Trust

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Independent Auditor's Report

To the Trustee
Tronox Incorporated Tort Claims Trust
Cincinnati, Ohio

We have audited the accompanying special-purpose financial statements of Tronox Incorporated Tort Claims Trust (the "Trust") (a statutory Trust created under the laws of the State of Delaware), which comprise the special-purpose statements of assets, liabilities, and net assets available for the payment of claims as of December 31, 2017 and 2016, and the related special-purpose statements of changes in net assets available for the payment of claims and cash flows for the years then ended, and the related notes to the special-purpose financial statements.

Management's Responsibility for the Special-Purpose Financial Statements

Management is responsible for the preparation and fair presentation of these special-purpose financial statements in accordance with the special-purpose basis of accounting described in Note 1; this includes determining that the special-purpose basis of accounting is an acceptable basis for the preparation of the special-purpose financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of special-purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these special-purpose financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the special-purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special-purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special-purpose financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of special-purpose financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the special-purpose financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the special-purpose statement of assets, liabilities, and net assets available for the payment of claims as of December 31, 2017 and 2016, and the related special-purpose statements of changes in net assets available for the payment of claims and cash flows for the years then ended in accordance with the special-purpose basis of accounting the Trust uses, as described in Note 1.

Basis of Accounting

As discussed in Note 1, the special-purpose financial statements were prepared on a special-purpose basis of accounting and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America. The special-purpose basis of accounting has been used in order to communicate the amount of net assets presently available for current and future claimants of the Trust. Our opinion is not modified with respect to that matter.

Restriction of Use

Our report is intended solely for the information and use of the Trust and is not intended to be used and should not be used by anyone other than this specified party. This restriction is not intended to limit the distribution of this report which, upon filing with the United States Bankruptcy Court for the Southern District of New York, is a matter of public record.

BDO USA LLP

April 26, 2018

Special-Purpose Financial Statements

Tronox Incorporated Tort Claims Trust

**Special-Purpose Statements of Assets, Liabilities, and Net Assets
Available for the Payment of Claims**

<i>December 31,</i>	2017	2016
Assets		
Current Assets		
Cash and cash equivalents	\$ 46,289,812	\$ 63,701,729
Investments	34,446,910	70,202,901
Interest receivable	435,971	476,356
Total Current Assets	81,172,693	134,380,986
Liabilities		
Current Liabilities		
Accounts payable	116,329	1,190,137
Accrued claimant disbursements	-	42,988,145
Total Current Liabilities	116,329	44,178,282
Net Assets Available for the Payment of Claims	\$ 81,056,364	\$ 90,202,704

*See accompanying independent auditor's report and notes
to the special-purpose financial statements.*

Tronox Incorporated Tort Claims Trust

**Special-Purpose Statements of Changes in Net Assets
 Available for the Payment of Claims**

<i>Years ended December 31,</i>	2017	2016
Additions		
Change in amount of previously settled Medicare Claims (see Note 4)	\$ 13,350,420	\$ -
Interest and dividends	1,345,424	2,423,150
Realized gains on investment securities	18,866	-
Miscellaneous income	-	5,000
Funding income	-	642,000
Unrealized gains on investment securities	-	300,866
Total Additions	14,714,710	3,371,016
Deductions		
Claimant disbursements	18,420,246	331,996,990
Trust management and processing fees	3,872,977	12,210,046
Administrative costs	532,419	280,525
Unrealized losses on investment securities	425,431	993,732
Trust legal fees	223,848	384,352
Trust insurance premium	231,154	235,945
Trust Advisory Committee fees	101,555	296,157
Accounting fees	53,420	46,921
Realized losses on investment securities	-	2,206
Total Deductions	23,861,050	346,446,874
Changes in net assets available for the payment of claims	(9,146,340)	(343,075,858)
Net assets available for the payment of claims		
Beginning of year	90,202,704	433,278,562
End of year	\$ 81,056,364	\$ 90,202,704

*See accompanying independent auditor's report and notes
to the special-purpose financial statements.*

Tronox Incorporated Tort Claims Trust

Special-Purpose Statements of Cash Flows

<i>Years ended December 31,</i>	2017	2016
Operating Activities		
Changes in net assets available for the payment of claims	\$ (9,146,340)	\$ (343,075,858)
Adjustments to reconcile changes in net assets available for the payment of claims to net cash (for) from operating activities:		
Unrealized losses on investment securities	425,431	993,732
Realized (gains) losses on investment securities	(18,866)	2,206
Unrealized gains on investment securities	-	(300,866)
Changes in operating assets and liabilities:		
Interest receivable	40,385	344,134
Accounts payable	(1,073,808)	1,190,137
Accrued claimant disbursements	(42,988,145)	42,219,986
Net cash for operating activities	(52,761,343)	(298,626,529)
Investing Activities		
Maturities of investment securities	57,290,640	61,085,000
Purchases of investment securities	(21,956,217)	(35,747,101)
Proceeds from sale of investment securities	15,003	8,506,165
Net cash from investing activities	35,349,426	33,844,064
Net Decrease in Cash and Cash Equivalents	(17,411,917)	(264,782,465)
Cash and Cash Equivalents, beginning of year	63,701,729	328,484,194
Cash and Cash Equivalents, end of year	\$ 46,289,812	\$ 63,701,729

See accompanying independent auditor's report and notes to the special-purpose financial statements.

Notes to the Special-Purpose Financial Statements

1. Summary of Significant Accounting Policies

Organization and Purpose

Tronox Incorporated Tort Claims Trust (the Trust) was established for the sole purpose of assuming the liabilities of the Tronox, Inc. debtors, their predecessors, and successors in interest, for all Tort Claims, and to use the Tort Claims Trust Distributable Amount to pay Holders of Allowed Tort Claims in accordance with the First Amended Joint Plan of Reorganization of Tronox Incorporated et al. pursuant to Chapter 11 of the Bankruptcy Code (the "Plan"), the Tort Claims Trust Agreement (the "Agreement"), and the Tort Claims Trust Distribution Procedures (the "TDPs"), and in a manner that is fair, reasonable, and equitable in light of the limited assets available to satisfy the Tort Claims. The Trust does not conduct any trade or business.

Basis of Presentation

The Trust's special-purpose financial statements are prepared using special-purpose accounting methods adopted by the Garretson Resolution Group, Inc. (the "Trustee"), which differ from accounting principles generally accepted in the United States of America ("GAAP"). The special-purpose accounting methods were adopted in order to communicate to the beneficiaries of the Trust the net assets available for the payment of claims and the related operating expenses of the Trust. Since the accompanying special-purpose financial statements and transactions are not based upon GAAP, accounting treatment by other parties for these same transactions may differ as to timing and amount. The special-purpose accounting methods include the following:

- Assets are recorded when they are received by the Trust and are available for the payment of claims.
- Future fixed liabilities under contractual obligations and other agreements entered into by the Trust are recorded as deductions in the same period that such contractual obligations or agreements are signed. Under GAAP, liabilities and contractual obligations are recorded over the period that is benefited by the underlying contract or agreement.
- Claims are expensed in the period in which the confirmed claim amount is settled. The settled claim amount is a claim amount that has been allowed by the Trust and accepted by the claimant, with an approved release and approved payment. Under GAAP, a liability would be recorded for an estimate of the amount to be paid for claims that have been incurred but not yet reported, and for those claims that have been submitted but not yet approved for payment by the Trust.
- Payments for services to be received over an extended period in the future are expensed as paid because these amounts are no longer available for the payment of claims. Under GAAP, an asset would be recorded and amortized over the period in which the related benefits are received.
- Tort Claims Insurance Assets are not recorded until the funds are received from the insurance carriers. These recoveries come from various insurance settlements, which were obtained by the Trust and related entities and assigned to the Trust. The insurance policies cover, among other things, products and general liability claims. Under GAAP, Tort Claims Insurance Assets are recorded upon settlement and assurance of collectability.

Notes to the Special-Purpose Financial Statements

Funds

In accordance with the Agreement, the Trustee created four separate funds as described in the Plan. The funds were created as follows:

Fund A is a fund established for the payment of Allowed Asbestos Claims, Allowed Future Tort Claims, and any Allowed Unaccounted-for Tort Claims, and shall consist of a separate sub-account within the Trust, as defined in the Agreement.

Fund B is a fund established for the payment of Allowed Indirect Environmental Claims, and shall consist of a separate sub-account within the Trust, as defined in the Agreement.

Fund C is a fund established for the payment of Allowed Property Damage Claims, and shall consist of a separate sub-account within the Trust, as defined in the Agreement.

Fund D is a fund established for payment of the Allowed Non-Asbestos Toxic Exposure Claims, and consists of the balance of assets not otherwise allocated to Funds A, B, and C, and shall consist of a separate sub-account within the Trust, as defined in the Agreement.

The final allocations for Funds B and C will depend upon the amount of Allowed Tort Claims asserted against each Fund, as specified in the TDPs. In addition, the final allocation for Fund D may increase and will be determined by the final allocations for Funds B and C, as set forth in the TDPs.

In accordance with the Agreement, the Trust was initially required to allocate the proceeds to the four trust funds, Funds A, B, C, and D (the "Funds"). Funds A, B, and C were initially allocated 6.25% each and Fund D was initially allocated 81.25%. As of July 31, 2014, Fund B and Fund D were reallocated to result in allocations of 2.97% and 84.53%, respectively. As of August 31, 2016, Fund C and Fund D were reallocated to result in allocations of 3.125% and 87.655%, respectively (see Fund Reallocation note below).

The Trust also maintains two additional funds, the General Administrative Expenses and Reserves Fund and Excess Anadarko Fund, for the purpose described below:

The General Administrative Expenses and Reserves Fund is a fund established for payment of the allowed general and administrative expenses associated with the Trust operations, and shall consist of a separate sub-account within the Trust.

In accordance with Section 1.5(e) of the TDPs, the Excess Anadarko Fund consists of five percent of the net proceeds of the Anadarko Litigation payable to the Trust pursuant to the Anadarko Litigation Trust Agreement in excess of \$120 million.

Funding income and investment-specific income are allocated first to the Excess Anadarko Fund and General Administrative Expenses and Reserves Fund, then the remainder pro rata across the Funds. Funding income and investment-specific income and expenses related to a particular fund are allocated solely to that fund.

The use of these funds, described above, is specified by the Agreement and a complete description of the funds must be derived from the Agreement.

Notes to the Special-Purpose Financial Statements

This description of the Trust is not intended to be a legal interpretation of the benefits available to Holders of Allowed Tort Claims, nor is it a legal description of the obligations of any parties to the Plan. A complete description of the rights and benefits of any parties must be derived from the Plan and the Agreement.

Fund Reallocation

As determined by the aggregate amount of Allowed Property Damage Claim, effective August 31, 2016, Fund C was allocated 3.125%. As specified by the Agreement, the portion previously allocated to Fund C in excess of 3.125% was allocated to Fund D resulting in an allocation of 87.655%.

Cash and Cash Equivalents

The Trust considers highly liquid investments, such as certificates of deposit, money market funds, and United States treasury bills and notes as cash equivalents.

Investments

The Trust holds investment securities in accounts at financial institutions. These investment securities are recorded at fair value, as determined by quoted market prices (see Note 8). Changes in the fair value of investment securities are included as unrealized gains and losses on investment securities and realized gains and losses on investment securities (when sold) in the accompanying special-purpose statements of changes in net assets available for the payment of claims.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Interest Receivable

Interest receivable is reported at net realizable value, and consists of interest to be received on investments.

Accrued Claimant Disbursements

Accrued claimant disbursements consist of claims settled before year end, but paid after year end.

Accounts Payable

Accounts payable consist of accruals and outstanding invoices associated with managing the Trust. At December 31, 2017 and 2016, payables consist of certain trust management and processing fees, including related party payables (Note 3), incurred by the Trust during the year and paid after year end.

Funding Income

Funding income is recognized as additions to net assets available for the payment of claims when received by the Trust.

Notes to the Special-Purpose Financial Statements

Operating Expenses

Operating expenses of the Trust are recognized when incurred (see Basis of Presentation note above for treatment of future fixed liabilities and services to be received over extended period of time).

Claimant Disbursements

Claimant disbursements include Medicare holdbacks, Medicaid holdbacks, attorney fees, case expenses, and net awards to Holders of Allowed Tort Claims. Claimant disbursements are recognized when confirmed claims are settled. For the years ending December 31, 2017 and 2016, \$18,420,246 and \$331,996,990 in claims were settled, respectively, and were included in the special-purpose statements of changes in net assets available for the payment of claims.

Concentrations of Credit Risk

Financial instruments that potentially subject the Trust to concentrations of credit risk consist principally of cash equivalents. The Trust places its cash equivalents in certificates of deposit, money market funds, and accounts which are in excess of or are not federally insured.

Tax Status

An election has been made for the Trust to be taxed as a Grantor Trust. In lieu of paying taxes at the trust level, Tronox, Inc. is taxed on the Trust's taxable income. As such, no provision or liability for federal or state income taxes has been recorded.

Uncertain tax positions are recognized in the special-purpose financial statements when it is more-likely-than-not the position will be sustained upon examination by the tax authorities. As of December 31, 2017 and 2016, the Trust had no uncertain tax positions that qualify for either recognition or disclosure in the special-purpose financial statements. Additionally, the Trust had no interest and penalties related to income taxes.

Use of Estimates

The preparation of the special-purpose financial statements in conformity with the special-purpose accounting methods adopted by the Trustee, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the special-purpose financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Events Occurring After the Reporting Date

The Trust has evaluated events and transactions that occurred between December 31, 2017 and April 26, 2018, which is the date that the special-purpose financial statements were initially available to be issued, for possible recognition or disclosure in the special-purpose financial statements (see Note 7).

Notes to the Special-Purpose Financial Statements

2. Settlement Funds

In accordance with the Plan, the assets transferred or to be transferred to or received by the Trust consist of the Funded Tort Claims Trust Amount of \$12,500,000, which Tronox Worldwide, LLC contributed upon the establishment of the Trust; the Trust's share (not less than twelve percent (12.00%)) of the proceeds of the Anadarko Litigation (which was a related lawsuit that was settled in 2012 and finalized in 2015) pursuant to the Anadarko Litigation Trust Agreement, together with any other amounts provided therein; and the Tort Claims Insurance Assets, as defined by the Agreement. In accordance with the Trust's accounting policies, such Tort Claims Insurance Assets or claims against Tort Claims Insurance Assets (or sales thereof) are recorded as an addition to net assets available for the payment of claims when the funds are received from the insurance companies.

The Trust received funding income as proceeds from the Anadarko Litigation in the amount of \$642,000 during 2016. No funding income was received during the year ended December 31, 2017.

3. Related Party Transactions

The Trustee is affiliated with the Trust as the Tort Claims Trustee and performed certain transactions with the Trust during 2017 and 2016. For the years ended December 31, 2017 and 2016, the Trust recorded no related party accounts receivable and accounts payable of \$64,652 and \$1,114,029, respectively. These related party payables are included in accounts payable in the special-purpose statements of assets, liabilities, and net assets available for the payment of claims. For the years ended December 31, 2017 and 2016, the total amount of fees paid to the Trustee was \$3,862,674 and \$11,071,580, respectively, which were included as trust management and processing fees and administrative costs in the accompanying special-purpose statements of changes in net assets available for the payment of claims.

4. Change in Amount of Previously Settled Medicare Claims

In July 2016, the Trust approved \$28,922,121 of Medicare claims for release, based on claims made by the Centers for Medicare and Medicaid Services (CMMS). CMMS notified the Trust in September 2016 that the amount paid was overstated and the full payment was returned to the Trust. In May 2017, CMMS resubmitted the claim, totaling \$15,571,701.

As of December 31, 2016, \$29,922,121 of Medicare claims had been approved by the Trust for release, via the Trustee's Lien Resolution Department, and did not require further approval when the amount would ultimately be resubmitted in May 2017. Under the special-purpose accounting framework, the criteria for expense recognition had been met and the amount of \$29,922,121 was recorded within accrued claimant disbursements in the accompanying special-purpose statement of assets, liabilities, and net assets available for the payment of claims as of December 31, 2016. The difference between the amount accrued at December 31, 2016 and the ultimate settlement in May 2017, totaling \$13,350,420, has been accounted for as a change in estimate and is reported as an addition to net assets in the accompanying special-purpose statement of changes in assets, liabilities, and net assets available for the payment of claims for the year ended December 31, 2017.

Notes to the Special-Purpose Financial Statements

5. Finalized Litigation

On February 10, 2012 a lawsuit was filed against the Trust by First National Community Bank (“FNCB”). In the suit, FNCB did not seek any monetary damages from the Trust, but instead asked the Court to order that certain proceeds from the Trust be paid to FNCB rather than its debtor, the Powell Law Group (“PLG”). The Trust agreed to the entry of an injunction to this effect. After the action was filed, several additional parties intervened as plaintiffs, also alleging a claim to certain proceeds from the Trust to be paid to PLG. As of December 31, 2015, all claims by the intervening plaintiffs and FNCB had been resolved except for those asserted by Montgomery McCracken Walker & Rhoads, LLC (“MMWR”). On August 26, 2016, the Court granted MMWR’s motion for summary judgment and entered a declaratory judgment establishing an attorney’s lien in the amount of \$2,951,316, plus pre-judgment and post-judgment interest, over the funds being held by the Trust pursuant to the injunction. By Opinion dated September 13, 2017, the First Appellate District affirmed the judgment. In accordance therewith, the Trust released the full judgment amount of \$3,643,164 to MMWR on October 6, 2017, which was included as claimant disbursements in the accompanying special-purpose statements of changes in net assets available for the payment of claims. A Satisfaction of Judgment was filed on November 9, 2017 and the injunction was dissolved on November 6, 2017.

On January 8, 2016, Queen Vaughn sent a letter to the Bankruptcy Court requesting that her claim against the Trust be allowed as a Category D claim. The Bankruptcy Court treated the letter as a motion for permission to file a late proof of claim. The Trust filed a response, and the Bankruptcy Court denied the request to file a late Category D claim. Vaughn filed a notice of appeal from the Bankruptcy Court decision. On January 13, 2017, the District Court dismissed that appeal as untimely. Vaughn filed a timely Notice of Appeal to the Second Circuit Court of Appeals. On May 19, 2017, the Second Circuit entered an order dismissing the appeal, without need of the Trust to file a brief, because the appeal “lacked an arguable basis in law or fact.” Vaughn filed a motion to reconsider, which the Court denied as defective. Vaughn filed a motion to cure the defect, which was also denied by an order entered on June 22, 2017. The Second Circuit issued its Mandate to the District Court on July 7, 2017.

6. Liability for Claims

The ultimate number of claims to be filed and the liability for all such claims are uncertain at this time. The net assets available for the payment of claims at December 31, 2017 and 2016 represent funding available for all claims for which no fixed liability has yet been established. The net assets available for the payment of claims at December 31, 2017 and 2016 may or may not be sufficient to meet all future obligations of the Trust.

7. Trust Liability Insurance

The Trust purchased liability insurance for a premium of \$231,154 and \$235,945 in 2017 and 2016, respectively. The current policy term is February 2017 to February 2018. Subsequent to year end, the policy was renewed through February 2019. The previous policy term was February 2016 to February 2017. The Trust’s accounting policy is to expense in the current period any amounts that will not be available to pay future claims or expenses of the Trust. Accordingly, these amounts were recorded as a deduction in net assets available for payment of claims during the years ended 2017 and 2016, respectively.

Notes to the Special-Purpose Financial Statements

8. Fair Value Measurements

The following disclosures enable the reader of the financial statements to assess the inputs used to develop fair value measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values.

Assets and liabilities must be carried at fair value and disclosed in one of the following three categories:

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

The Trust's financial assets as of December 31, 2017 and 2016 included investment securities. The fair value of the Trust's investment securities were determined based on quoted prices in active markets.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Trust believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Fair values of assets measured on a recurring basis at December 31, 2017 are as follows:

	Fair Value Measurements at Reporting Date Using			
	Fair Value	Level 1	Level 2	Level 3
Investment securities:				
Corporate fixed income bonds	\$ 27,757,525	\$ 27,757,525	\$ -	\$ -
Government bonds	\$ 6,689,385	\$ 6,689,385		
Total investment securities	\$ 34,446,910	\$ 34,446,910	\$ -	\$ -

Notes to the Special-Purpose Financial Statements

Fair values of assets measured on a recurring basis at December 31, 2016 are as follows:

	Fair Value Measurements at Reporting Date Using			
	Fair Value	Level 1	Level 2	Level 3
Investment securities:				
Corporate fixed income bonds	\$ 69,202,475	\$ 69,202,475	\$ -	\$ -
Government bonds	\$ 1,000,426	\$ 1,000,426		
Total investment securities	\$ 70,202,901	\$ 70,202,901	\$ -	\$ -

Supplementary Information



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Independent Auditor's Report on Supplementary Information

To the Trustee
Tronox Incorporated Tort Claims Trust
Cincinnati, Ohio

Our audits of the special-purpose financial statements included in the preceding section of this report were conducted for the purpose of forming an opinion on those statements as a whole. The supplementary information presented in the following section of this report is presented for purposes of additional analysis and is not a required part of the special-purpose financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special-purpose financial statements. The information has been subjected to the auditing procedures applied in the audits of the special-purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special-purpose financial statements or to the special-purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the special-purpose financial statements as a whole.

BDO USA LLP

April 26, 2018

Tronox Incorporated Tort Claims Trust
Special-Purpose Schedules of Changes in Net Assets
Available for the Payment of Claims by Fund

<i>Year ended December 31, 2017</i>	Trust Fund A	Trust Fund B	Trust Fund C	Trust Fund D	General Administrative Expenses and Reserves	Excess Anadarko	Total
Additions							
Change in amount of previously settled Medicare Claims	\$ -	\$ -	\$ -	\$ 13,350,420	\$ -	\$ -	\$ 13,350,420
Interest and dividends	186,631	39,593	45,067	1,006,604	20,690	46,839	1,345,424
Realized gains on investment securities	1,115	529	557	15,648	282	735	18,866
Total Additions	187,746	40,122	45,624	14,372,672	20,972	47,574	14,714,710
Deductions							
Claimant disbursements	-	1,684,035	-	16,736,211	-	-	18,420,246
Trust management and processing fees	2,995,825	-	-	22,200	854,952	-	3,872,977
Administrative costs	353,650	-	-	14,278	164,491	-	532,419
Unrealized losses on investment securities	25,154	11,948	12,577	352,799	6,368	16,585	425,431
Trust legal fees	190,209	75	75	18,183	15,306	-	223,848
Trust insurance premium	-	-	-	-	231,154	-	231,154
Trust Advisory Committee fees	-	-	-	-	101,555	-	101,555
Accounting Fees	-	-	-	-	53,420	-	53,420
Total Deductions	3,564,838	1,696,058	12,652	17,143,671	1,427,246	16,585	23,861,050
(Decrease) increase in net assets available for the payment of claims	(3,377,092)	(1,655,936)	32,972	(2,770,999)	(1,406,274)	30,989	(9,146,340)
Net assets available for the payment of claims							
Beginning of Year	25,623,663	1,880,708	4,338,276	28,007,103	6,443,295	23,909,659	90,202,704
End of Year	\$ 22,246,571	\$ 224,772	\$ 4,371,248	\$ 25,236,104	\$ 5,037,021	\$ 23,940,648	\$ 81,056,364

See accompanying independent auditor's report and notes to the supplementary information.

Tronox Incorporated Tort Claims Trust
Special-Purpose Schedules of Changes in Net Assets
Available for the Payment of Claims by Fund

<i>Year ended December 31, 2016</i>	Trust Fund A	Trust Fund B	Trust Fund C	Trust Fund D	General Administrative Expenses and Reserves	Excess Anadarko	Total
Additions							
Interest and dividends	\$ 175,063	\$ 68,917	\$ 125,699	\$ 1,924,473	\$ 36,100	\$ 92,898	\$ 2,423,150
Funding income	37,960	18,031	37,960	513,410	9,610	25,029	642,000
Unrealized gains on investment securities	17,790	8,450	17,790	240,603	4,504	11,729	300,866
Miscellaneous income	296	140	148	4,146	75	195	5,000
Total Additions	231,109	95,538	181,597	2,682,632	50,289	129,851	3,371,016
Deductions							
Claimant disbursements	-	-	14,066,024	317,930,966	-	-	331,996,990
Trust management and processing fees	9,400,487	-	1,175	1,530,569	1,277,815	-	12,210,046
Unrealized losses on investment securities	58,757	27,910	47,344	806,104	14,876	38,741	993,732
Trust legal fees	174,322	2,991	51,426	53,057	102,556	-	384,352
Trust Advisory Committee fees	-	-	-	-	296,157	-	296,157
Administrative costs	24,700	-	-	4,879	250,946	-	280,525
Trust insurance premium	-	-	-	-	235,945	-	235,945
Accounting fees	-	-	-	-	46,921	-	46,921
Realized losses on investment securities	130	62	115	1,780	33	86	2,206
Total Deductions	9,658,396	30,963	14,166,084	320,327,355	2,225,249	38,827	346,446,874
(Decrease) increase in net assets available for the payment of claims	(9,427,287)	64,575	(13,984,487)	(317,644,723)	(2,174,960)	91,024	(343,075,858)
Net assets available for the payment of claims							
Beginning of Year	31,843,610	292,005	33,750,351	283,638,263	59,935,698	23,818,635	433,278,562
Court-directed fund reallocation, net	-	-	(17,031,258)	17,031,258	-	-	-
Tax reserve reallocation	3,207,340	1,524,128	1,603,670	44,982,305	(51,317,443)	-	-
End of Year	\$ 25,623,663	\$ 1,880,708	\$ 4,338,276	\$ 28,007,103	\$ 6,443,295	\$ 23,909,659	\$ 90,202,704

See accompanying independent auditor's report and notes to the supplementary information.

Notes to the Supplementary Information

Fund Reallocation

As determined by the aggregate amount of Allowed Property Damage Claim, effective August 31, 2016, Fund C was allocated 3.125%. As specified by the Agreement, the portion previously allocated to Fund C in excess of 3.125% was allocated to Fund D resulting in an allocation of 87.655%. The additions and deductions in the special-purpose schedule of changes in net assets available for the payment of claims by fund reflects the initial fund allocation through August 30, 2016 and the adjusted fund allocation prospectively through December 31, 2016. The additions and deductions since inception of the Trust were adjusted retrospectively through August 30, 2016 in a separate line item (court-directed fund reallocation, net) in the special-purpose schedule of changes in net assets available for the payment of claims by fund for the year ended December 31, 2016.

Tax Reserve Reallocation

In 2016, the Trust received confirmation that it is not subject to entity-level tax liability and has released the funds reserved for that purpose. This tax reserve was reallocated amongst the Funds in a separate line item (tax reserve reallocation) in the special-purpose schedule of changes in net assets available for the payment of claims by fund for the year ended December 31, 2016.

~~Trox Incorporated Tort Claims Trust~~
2017 Claims Summary Page 1 of 1
2017 Claims Summary

<u>Claim Type</u>	<u>Total Number of Claims</u>	<u>Number of Claims with Determinations Made</u>	<u>Number of Allowed Claims Paid</u>	<u>Percentage of Allowed Claims Paid</u>	<u>Total Amount Distributed</u>
Category A Asbestos:	880	880	0	0	\$ -
Category A Future Tort Claims:	35048	17322	0	0	\$ -
Category B:	23	23	17	73.91%	\$ 17,463,945.17
Category C:	6	6	6	100.00%	\$ 18,157,598.76
Category D:	6771	6767	6638	98.09%	\$ 464,673,752.41

-The Payment Percentage has not been determined for Category A, and therefore no such claims are yet eligible to be paid.

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Counsel for Garretson Resolution Group

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

_____)	
In re:)	Chapter 11
)	
TRONOX INCORPORATED, <i>et al.</i> ,)	Case No. 09-10156 (ALG)
)	
Debtors.)	Jointly Administered
)	

CERTIFICATE OF SERVICE

Bethany P. Recht, under penalty of perjury, hereby certifies the following:

1. I am an attorney with the law firm of Keating Muething & Klekamp PLL, counsel to the Tort Claims Trustee of the Tronox Incorporated Tort Claims Trust.
2. On April 30, 2018, pursuant to Section 3.7(b)(i) of the Tronox Incorporated Tort Claims Trust Agreement, I caused to be served the Annual Report of the Tronox Incorporated Tort Claims Trust and the Notice of Filing Annual Report and Account of the Tronox Incorporated Tort Claims Trust for the Year Ending December 31, 2017 [Doc. No. 8048] via First Class U.S. Mail on the parties identified on the attached Service List.

I certify, under penalty of perjury, that the statements made herein are true and correct.

/s/ Bethany P. Recht
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