

Tharisa plc
(Incorporated in the Republic of Cyprus with limited liability)
(Registration number HE223412)
JSE share code: THA
LSE share code: THS
ISIN: CY0103562118
('Tharisa')

Full year production and fourth quarter report for the period ended 30 September 2018
Tharisa exceeds annual production guidance

Highlights for the financial year ended 30 September 2018

- Best in Class safety award at the annual MineSafe conference and LTIFR of 0.18 per 200 000 man hours worked
- Tharisa's operational performance was exceptional, with the following records achieved:
 - Platinum group metal ('PGM') recoveries at 84.1%, exceeding targeted 80.0%
 - PGM production of 152.2 koz, up 6.0% year on year
 - Chrome recoveries at 66.0%, an increase of 3.0% from last year
 - Total chrome concentrate production of 1 448.0 kt, up 8.8% year on year (excluding third party production)
 - Specialty grade chrome concentrate production at 367.7 kt, 25.4% of total chrome concentrate production
- Tharisa exceeded targeted production at Lonmin K3 chrome plant by 10.9% at 221.8 kt

Commenting on the production results, Tharisa CEO Phoevos Pouroulis, said:

“The past fiscal year saw yet another year of record production from the Tharisa mine, with the highest recovery rates on record, and a Best in Class safety award. The significant advances we have made through our own R&D, has seen Tharisa adopt new technologies, increase our ability to beneficiate our products and has the potential to improve our ability to maximise revenues from our operations. This strong operational performance at the Tharisa Mine provides a solid foundation for the development of the highly prospective exploration projects in Zimbabwe.”

Safety

Safety is one of Tharisa's core values and Tharisa continues to strive for zero harm at its operations. An LTIFR of 0.18 per 200 000 man hours worked was recorded at the end of the financial year. Tharisa Minerals was awarded the Best in Class award at the annual MineSafe conference held in August 2018. In September 2018 the Tharisa operations achieved 4 000 fatality free production shifts.

Production update

The production update for the quarter and year ended 30 September 2018 is as follows:

		Quarter ended 30 Sept 2018	Quarter ended 30 June 2018	Quarter ended 30 Sept 2017	Year ended 30 Sept 2018	Year ended 30 Sept 2017	Year on year movement %
Reef mined	kt	1 179.7	1 244.1	1 300.8	4 875.0	5 025.1	(3.0)
Stripping ratio	m ³ : m ³	7.2	8.0	6.6	7.9	7.5	5.3
Reef milled	kt	1 216.7	1 291.2	1 299.4	5 105.3	4 916.2	3.9
PGM flotation feed	kt	892.8	929.7	950.3	3 718.1	3 599.2	3.3
PGM rougher feed grade	g/t	1.48	1.54	1.58	1.51	1.56	(3.2)
PGM recovery	%	84.1	85.6	81.0	84.1	79.7	5.5
6E PGMs produced	koz	35.7	39.5	39.0	152.2	143.6	6.0
Average PGM contained metal basket price	US\$/oz	928	947	825	923	786	17.4
Average PGM contained metal basket price	ZAR/oz	13 067	11 947	10 866	12 038	10 492	14.7
Cr ₂ O ₃ ROM grade	%	18.3	18.2	18.4	18.2	17.8	2.3
Chrome recovery	%	64.5	67.8	63.6	66.0	64.1	3.0
Chrome yield	%	27.9	29.1	27.7	28.4	27.1	4.8
Chrome concentrates produced (excluding third party)	kt	339.2	376.3	360.5	1 448.0	1 331.2	8.8
Metallurgical grade	kt	240.3	281.1	277.0	1 080.3	1 008.1	7.2
Specialty grades	kt	98.9	95.2	83.5	367.7	323.1	13.8
Third party chrome production	kt	56.0	59.6	20.0	221.8	20.0	1 009.0
Metallurgical grade chrome concentrate contract price	US\$/t CIF China	164	193	172	186	200	(7.0)
Metallurgical grade chrome concentrate contract price	ZAR/t CIF China	2 313	2 477	2 250	2 415	2 667	(9.4)
Average exchange rate	ZAR:US\$	14.1	12.6	13.2	13.1	13.4	(2.2)

Mining

Tharisa's mining division mined 4.9 Mt of ROM for FY2018, a 3.0% decrease year on year. A total of 11.1 Mm³ of waste rock was mined for the year. Whilst the stripping ratio of 7.9 on a m³:m³ basis remained below the LOM average of 9.6, it represented a 5.3% increase from the previous year. There was a reduction in year on year mining mainly due to availability of equipment. This was a result of an ongoing comprehensive maintenance plan to return the used mining fleet, purchased by Tharisa, to OEM standards. The implementation of the necessary maintenance systems will see availability and utilisation increasing for FY2019, enabling the fleet to achieve the required mining rate of 5.2 Mt. A key focus of the mining division is improving the efficiencies of the drill and blast operations, which is essential to achieving the required stripping ratio. This will ensure ongoing access to the reef horizons and maintaining the supply of ore to the processing plants.

The PGM rougher feed grade was marginally lower for the year at 1.51 g/t, while the Cr₂O₃ ROM feed grade improved by 2.3% to 18.2% for the year. A portion of the historically mined lower grade PGM stockpiles were utilised during the year to feed the processing plants, resulting in the lower PGM rougher feed grade. There is continued focus to increase the ROM stockpile during FY2019 with the appropriate blend of reef horizons.

Processing

A total of 5.1 Mt of reef was milled in FY2018, which is a 3.9% increase from FY2017. PGM production increased by 6.0% to 152.2 koz for the period, exceeding the FY2018 guidance. This was as a result of achieving recoveries of 84.1%, which is higher than the target for FY2018. Chrome production also surpassed guidance for the financial year, reaching just over 1.4 Mt. The recovery for the year was 66.0%, ahead of the targeted recovery of 65.0%. The annual production of specialty grade chrome concentrates increased by 13.8%, from 323.1 kt in FY2017 to 367.7 kt.

During the quarter ended 30 September 2018, 1.2 Mt of ore was milled, resulting in PGM production of 35.7 koz (6E basis) and total chrome concentrate production of 339.2 kt, of which 98.9 kt (29.2%) was specialty grades. The continued optimisation of the specialty grade production circuits increases specialty grade production and the margin as it trades at a premium to metallurgical grade chrome concentrate.

The chrome production for FY2018 from the Lonmin K3 chrome plant was 221.8 kt, exceeding the target of 200.0 ktpa of chrome concentrates for the year.

Market update

The average PGM contained metal basket price for FY2018 was US\$923/oz (ZAR12 038/oz), which increased by 17.4% in US\$ terms from FY2017 and 14.7% in ZAR terms.

The average metallurgical grade chrome concentrate price was US\$186/t (ZAR2 415/t), 7.0% lower in US\$ terms and 9.4% lower in ZAR terms for FY2018.

Specialty chrome concentrates, which accounted for 25.4% of Tharisa's annual chrome production, continue to attract a significant premium to metallurgical chrome concentrate prices.

Outlook

Tharisa's FY2019 production guidance is 160.0 koz of PGMs and 1.5 Mt of chrome concentrates, of which 375.0 kt will be speciality grade chrome concentrates. The Vision 2020 projects will ensure that Tharisa delivers 200.0 koz of PGMs and 2.0 Mt of chrome concentrates in 2020 from the Tharisa Mine. The Tharisa team will continue to implement the Vision 2020 projects during FY2019.

The Environmental Impact Assessments for the exploration projects for both PGM and chrome businesses in Zimbabwe are progressing well, and once approved, the exploration programmes will commence.

The above information has not been reported on or reviewed by Tharisa's auditors.

Paphos, Cyprus

8 October 2018

JSE Sponsor

Investec Bank Limited

Financial PR contacts:

Bobby Morse / Augustine Chipungu

+44(0) 20 7466 5000

tharisa@buchanan.uk.com

Broker contacts:

Peel Hunt LLP (UK Joint Broker)

Ross Allister / David McKeown

+44 207 7418 8900

BMO Capital Markets Limited (UK Joint Broker)

Jeffrey Couch / Thomas Rider

+44 020 7236 1010

Nedbank Limited (acting through its Corporate and Investment Banking division) (RSA Broker)

Shabbir Norath / Reginald Demana

+27 11 295 6575