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NEWS RELEASE

Tharisa acquires 26.8% of Karo Holdings to secure access to a tier one PGM resource on the Great Dyke in Zimbabwe for US\$4.5 million

Highlights of the acquisition:

- Provides access to a highly prospective area covering 23 903 hectares on the Great Dyke of Zimbabwe, containing a potential PGM resource of some 96 million ounces (4E basis)
- Great Dyke PGM projects are low cost, open pitable and have significant palladium and base metal content resulting in high margin poly-metallic revenues
- Low cost entry at more than an 80% discount to an independent fair and reasonable valuation
- Have the right to increase project ownership by way of further investment at discounted values through a discounted farm-in option

Johannesburg, 13 June 2018 – Tharisa today announced that it has acquired a 26.8% shareholding in Karo Mining Holdings (Karo Holdings), which gives it access to a tier one PGM and base metal resource situated on the Great Dyke in Zimbabwe, for a total cash consideration of US\$4.5 million. The Great Dyke of Zimbabwe contains the world’s largest known PGM deposits outside of South Africa.

Karo Holdings and the Government of Zimbabwe entered into an investment agreement on 22 March 2018 under the terms of which Karo Holdings has undertaken to establish an integrated mining and refining complex that that could generate up to 15 000 direct jobs across the value chain.

Tharisa's acquisition of the stake in Karo Holdings is at a more than an 80% discount to an independent fair and reasonable valuation and provides the Group with the opportunity to increase its investment in the project through discounted farm-in options at the project level.

The first of the projects Karo Platinum, an indirect 50% held subsidiary of Karo Holdings, has been awarded the PGM mining rights under a special grant covering an area of 23 903 hectares situated on the Great Dyke in the Mashonaland West District of Zimbabwe. This area of land was recently released by Zimbabwe Platinum Mines (Zimplats) from its mining lease area in support of the Government of Zimbabwe's efforts to enable participation by other investors in the platinum mining industry in Zimbabwe. The remaining 50% shareholding in Karo Platinum will be held by an investment company wholly owned by the government of Zimbabwe.

Tharisa has agreed to provide a US\$8 million debt facility to Karo Platinum for the initial geological exploration and sampling work to determine a compliant mineral resource. Tharisa will manage the exploration and oversee the subsequent bankable feasibility study.

Through its shareholding in Karo Holdings, Tharisa has an option to participate in the other downstream projects through discounted farm-in arrangements at a later stage. The planned integrated mining and refining complex will encompass platinum mining, precious metals and base metals refining and the establishment of a 300 MW solar power plant.

It is intended that Karo Holdings will apply for National Project Status and for the projects to be contained within a Special Economic Zone, which will provide the projects with enhanced economics through concessions granted by the Zimbabwe Government.

"The acquisition presents an attractive opportunity to expand Tharisa's PGM mining interests into Zimbabwe. It provides Tharisa with a low cost, low risk entry into a new geography and to access development projects that will offer the Group the chance to replicate the success achieved at Tharisa Minerals," says Tharisa COO Michelle Taylor.

Tharisa owns and operates Tharisa Minerals, a PGM and chrome co-producer, located on the Bushveld Complex in South Africa. The Karo Holdings acquisition is Tharisa's second project in Zimbabwe after the acquisition of a 90% stake in Salene Chrome, the holder of special grants over an area of approximately 9 500 hectares of highly prospective illuvial chrome properties on the eastern side of the Great Dyke in Zimbabwe.

“Tharisa has established itself as a robust innovative Group with a proven track record of taking mines from prospecting to production and with strong cash generation and dividend payments. The Group believes that coupled with its organic growth plans under Vision 2020 and the illuvial chrome prospects available through Salene Chrome, this acquisition has the potential to set Tharisa apart from its peers while delivering on its strategy of becoming a globally significant low cost producer of strategic commodities,” says Tharisa CFO Michael Jones.

Ends

For further information on Karo Holdings please visit www.karomining.com and for further details on Tharisa Minerals' Vision 2020 projects and the Salene Chrome acquisition please visit www.tharisa.com.

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