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NEWS RELEASE

Tharisa's profits surge on the back of record production as it sets its sights on 2020

Tharisa sets production target of 200 kozpa of PGMs and 2 Mtpa of chrome concentrate by 2020

Highlights

- Revenue increased by 59.1% to US\$349.4 million
- Operating profit up 198.4% to US\$95.9 million
- EBITDA increased by 168.7% to US\$115.6 million
- Headline earnings per share up 266.7% to US\$ 22 cents
- Proposed dividend increased by 400.0% to US\$ 5 cents
- PGM production up 8.3% to a record 143.6 koz
- Chrome concentrate production up 7.0% to a record 1.3 Mt

Johannesburg, 30 November 2017 – Tharisa plc, a co-producer of PGM and chrome concentrates, today reported results for the financial year ended 30 September 2017.

The integrated resource group's net profit after tax for the year more than quadrupled to US\$67.7 million, compared to a profit of US\$15.8 million a year earlier. This translated into earnings per share (EPS) and headline earnings per share (HEPS) of US\$ 22 cents, an increase of 340% and 266.7% respectively from the EPS of US\$ 5 cents and the HEPS of US\$ 6 cents posted the year before.

Based on the improved earnings, the directors are recommending a final dividend for FY2017 of US\$ 5 cents per share, reflecting a material increase on the maiden distribution of US\$ 1 cent declared for FY2016. Furthermore, Tharisa is pleased to notify its shareholders that it plans to improve its dividend policy for FY2018 to a minimum of 15% of consolidated net profit after tax, an increase from the previous stated dividend policy of 10% of consolidated net profit after tax. The Company also intends to introduce an interim dividend for FY2018.

Group revenue totalled US\$349.4 million (2016: US\$219.6 million), an increase of 59.1% relative to the prior year. The increase in revenue is mainly attributable to the chrome segment with the metallurgical grade chrome concentrate price increasing by 66.7% from an average of US\$120/t in FY2016 to US\$200/t realised in FY2017, with the speciality grade chrome concentrates continuing to trade at a premium of at least US\$50/t on a CIF China equivalent basis.

Tharisa's mining operations are characterised by the shallow large scale, open pit, co-production of PGM and chrome concentrates with a consequential low cost of production. Continuing application of Tharisa's low-cost business model and achievement of record production enabled the company to boost gross profit by 125.2% to US\$122.7 million for the year. The gross profit margin of 35.1% also compared favourably to the comparable period's gross profit margin of 24.8%. Operating profit climbed by 198.4% to US\$95.9 million.

With the stronger recovery in the commodity markets during the financial year, the Group recorded a substantial improvement in profitability, generating a profit before tax of US\$91.0 million compared to the comparable period of US\$22.0 million.

While PGM prices remained muted during the year showing a marginal increase of US\$50 per PGM basket ounce, the rally in the palladium and rhodium price has improved the PGM price outlook for FY2018. During the first half of FY2017, the spot metallurgical chrome price rallied to unsustainable levels of approximately US\$390/t before limited liquidity and an underestimated global supply side response resulted in prices declining to levels as low as US\$130/t mainly on the back of accumulated inventory levels. Post the half-year there has been a recovery in the spot metallurgical grade chrome price delivered to China due to increased demand for stainless steel and excess inventories being absorbed in the normal course. The average metallurgical chrome contract price achieved by Tharisa was US\$200/t CIF China for FY2017.

Commenting on the results, CEO Phoevos Pouroulis said:

"The maturation of the business beyond the development stage has positioned the group for its next phase of growth. Not only is the focus on continuous improvements in feed grade and recoveries, but on expanding the business through the implementation of the Vision 2020 expansion and the operation of third party plants and the marketing of these commodities."

Tharisa Minerals reported a Lost Time Injury Frequency Rate (LTIFR) of 0.07 per 200 000 man hours worked. In recognition of these achievements, Tharisa Minerals was awarded the Best Safety Performance and Best Improved Performance awards at Mine Safe 2017, and an award from the Mine Health and Safety Council for 2 000 fatality free production shifts. Tharisa continues to strive for a zero harm work environment and has renewed this commitment to all stakeholders.

Tharisa's mining operations performed well during the year, mining a record 5.0 Mt of reef, which is 3.9% higher than the reef mined in FY2016. Subsequent to the financial year end, Tharisa Minerals acquired the mining fleet from its primary mining contractor. The transition to owner mining has progressed well and the benefits of closer management of the in-pit grades and improved blending ahead of the plants are being realised.

The processing plants performed particularly well with plant throughput at 4.9 Mt exceeding nameplate capacity for the first time. Once again consistent feed and preventative maintenance resulted in improved plant availability and utilisation. The overall performance across both plants saw an improvement in PGM recoveries at 79.7% for the financial year and improved chrome recoveries at 64.1% during the year. This resulted in an 8.3% increase in PGM production to 143.6 koz and a 7.0% increase in chrome concentrate production to 1.3 Mt of chrome concentrates. Of the chrome concentrates, 323.1 kt comprised high value specialty grade products, representing a 19.9% improvement year-on-year.

Outlook and guidance

The PGM basket price in US dollar terms has improved on the back of the rally in spot palladium and rhodium prices and with the recovery in chrome concentrate prices, underpinned by demand, the Group's margins remain robust. The free cash flow for FY2018 and EBITDA margins should grow considerably supported by solid operational performance and a more favourable commodity outlook.

The production outlook for FY2018 is 150 koz of PGMs and 1.4 Mt of chrome concentrates, of which 350 kt will be specialty grade chrome concentrates. Tharisa's vision for 2020 is to produce 200 koz of PGMs and 2 Mt of chrome concentrate through its expansion plans.

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About Tharisa

Tharisa is an integrated resources group incorporating mining, processing, beneficiation, marketing, sales and logistics of PGMs and chrome through its 74% interest in Tharisa Minerals (mining and processing) and its wholly-owned subsidiaries including Arxo Metals (processing and beneficiation), Arxo Logistics (logistics) and Arxo Resources (marketing and sales).

The Company has been listed on the Johannesburg Stock Exchange's "General Mining" sector of the Main Board since April 2014. Tharisa listed on the Main Board of the London Stock Exchange in June 2016 by way of a standard listing.

See <http://www.tharisa.com/> for more information.

Issued by Tharisa Plc

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