

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')

First quarter production report for the period ended 31 December 2016

Another quarter of solid production from Tharisa

Highlights for the three months ended 31 December 2016

- Reef mined continues to exceed the required run rate of 4.8 Mtpa on an annualised basis
- PGM production of 34.8 koz and chrome concentrate production of 322.2 kt
- Specialty chrome production at 23.9% of total chrome production
- PGM recoveries above target at 80.5% and chrome recoveries improve to 64.3%
- Contracted metallurgical chrome prices up 59.2% quarter-on-quarter

Safety

Safety remains a top priority and Tharisa continues to strive for zero harm at its operations. We are pleased to report that there were no LTI's during the quarter.

Production update

The production update for the quarter ended 31 December 2016 is as follows:

	Quarter ended 31 Dec 2016	Quarter ended 30 Sep 2016	Quarter on quarter movement %	Quarter ended 31 Dec 2015	Year ended 30 Sep 2016
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		Quarter ended 31 Dec 2016	Quarter ended 30 Sep 2016	Quarter on quarter movement %	Quarter ended 31 Dec 2015	Year ended 30 Sep 2016
Reef mined	kt	1 229.9	1 243.3	(1.1)	1 124.4	4 837.2
Stripping ratio	m ³ waste/m ³ reef	9.0	8.2	-	6.4	7.3
Reef milled	kt	1 206.4	1 267.2	(4.8)	997.4	4 656.3
PGM flotation feed tonnes	kt	885.1	937.9	(5.6)	765.8	3 575.6
PGM rougher feed grade	g/t	1.52	1.61	(5.6)	1.61	1.65
6E PGMs produced	koz	34.8	39.1	(11.0)	24.0	132.6
PGM recovery	%	80.5	80.6	(0.1)	60.4	69.9
Average PGM contained metal basket price	US\$/oz	740	804	(8.0)	687	736
Average PGM contained metal basket price	ZAR/oz	10 287	11 289	(8.9)	9 865	10 881
Cr ₂ O ₃ RoM grade	%	17.5	17.5	-	18.5	18.0
Chrome recovery	%	64.3	63.5	1.3	61.5	62.7
Chrome yield	%	26.7	26.2	1.9	27.3	26.7
Chrome concentrates produced	kt	322.2	332.2	(3.0)	272.1	1 243.7
Metallurgical grade	kt	245.1	250.1	(2.0)	238.7	974.3
Specialty grades	kt	77.1	82.1	(6.1)	33.4	269.4
Metallurgical grade chrome concentrate contract price	US\$/t CIF China	250	157	59.2	124	120

		Quarter ended 31 Dec 2016	Quarter ended 30 Sep 2016	Quarter on quarter movement %	Quarter ended 31 Dec 2015	Year ended 30 Sep 2016
Metallurgical grade chrome concentrate contract price	ZAR/t CIF China	3 488	2 193	59.1	1 777	1 751
Average exchange rate	ZAR:US\$	13.9	14.1	-	14.2	14.8

Mining

Tharisa's team mined consistently above the combined plant processing capacity of 400 ktpm, bringing the total reef mined from the open pit to 1 229.9 kt for the quarter. The focus remained on grade control and the optimal blend of material ahead of the operation's two plants. During the quarter a total of 3.0 Mm³ of waste (both interburden and overburden) was removed to expose ore at a stripping ratio of 9.0 on a m³:m³ (waste:reef) basis. This is in line with the life of open pit average stripping ratio of 8.9 on a m³:m³ basis.

Processing

During the quarter 1 206.4 kt tonnes were milled notwithstanding planned routine maintenance, including annual mill relining.

PGM recoveries at 80.5% remained well above the targeted recovery of 70%, resulting in PGM production of 34.8 koz on a 6E basis.

Total chrome concentrate production was 322.2 kt at a recovery rate of 64.3%, edging closer to the targeted recovery of 65% for chrome. Of that 322.2 kt, 77.1 kt was higher-value specialty grade material. Specialty grade material typically fetches a premium to metallurgical grade chrome.

Market update

The average PGM basket price for the three months ended December 2016 was US\$740/oz (ZAR10 287/oz), which is US\$64/oz lower than the US\$804/oz (ZAR11 289/oz) price achieved in the quarter ended September 2016.

Metallurgical grade chrome prices have risen almost 60% over the quarter with an average contract price of US\$250/t CIF main ports China achieved during the quarter. This represents an improvement of US\$93/t on the CIF contracted selling price concluded in the September 2016 quarter. Current market prices are significantly higher and while demand has eased ahead of the Chinese New Year (end January 2017), market fundamentals and lower Chinese port stocks should spur purchasing thereafter.

Outlook

PGM and chrome production remains on track to meet the FY2017 production guidance of 147.4 koz PGMs and 1.3 Mt chrome concentrates, of which 300 kt will be specialty grade chrome concentrates.

“We are positive about the prospects for the year ahead and believe that, with the support of buoyant chrome prices, 2017 will be a definitive year with reduced unit costs and increased operating margins,” said Tharisa CEO Phoevos Pouroulis.

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

Paphos, Cyprus

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JSE Sponsor

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