Tharisa plc

(Incorporated in the Republic of Cyprus with limited liability)

(Registration number HE223412)

JSE share code: THA

ISIN: CY0103562118

('Tharisa')

First quarter production report: three months ended 31 December 2015

Safety

Safety remains a top priority and Tharisa continues to strive for zero harm at our operations.

The lost time injury frequency rate as at 31 December 2015, was 0.17 per 200 000 hours.

Production update

The production update for the quarter ended 31 December 2015 is as follows:

		Quarter ended 31 December 2015	Quarter ended 31 December 2014	**Financial year ended 30 September 2015**
Reef mined	kt	**1 124.4**	905.9	**4 183.2**
Stripping ratio	m^3 waste/m^3 reef	**6.4**	10.1	**10.7**
Reef milled	kt	**997.4**	1 031.6	**4 400.4**
PGM flotation feed tonnes	kt	**765.8**	805.0	**3 446.2**
PGM rougher feed grade	g/t	**1.61**	1.66	**1.62**
6E PGMs produced	koz	**24.0**	24.4	**118.0**
PGM recovery	%	**60.4**	56.9	**65.8**
Average PGM contained metal basket price	US$/oz	**687**	956	**885**
Average PGM contained metal basket price	ZAR/oz	**9 865**	10 720	**10 608**
Cr_2O_3 RoM grade	%	**18.5**	18.5	**18.3**
Chrome recovery	%	**61.5**	55.8	**58.0**
Chrome yield	%	**27.3**	25.0	**25.5**
Chrome concentrates produced	kt	**272.1**	257.8	**1 122.2**
42% metallurgical grade	kt	**238.7**	232.3	**1 009.4**
Chemical and foundry grades	kt	**33.4**	25.5	**112.8**
42% metallurgical grade chrome concentrate contract price	US$/t CIF China	**124**	159	**158**
42% metallurgical grade chrome concentrate contract price	ZAR/t CIF China	**1 777**	1 767	**1 894**

		Quarter ended 31 December 2015	Quarter ended 31 December 2014	Financial year ended 30 September 2015
Average exchange rate	ZAR:US$	**14.2**	11.1	**12.0**

First quarter commentary

The reef mined at the Tharisa Mine increased relative to the comparable quarter and the increase is commendable given the reversion during the quarter to a single mining contractor and the number of production shifts lost due to safety stoppages.

The transition back to a single contractor from the multi-contractor model progressed according to the change management plan. Mining production was, however, impacted by a number of section 54 instructions issued by the Department of Mineral Resources. These safety related stoppages resulted in a loss of approximately 42 weighted production shifts (approximately 15.1% of mill throughput).

Bulk over burden waste stripping was decelerated during the quarter to focus on inter-burden stripping, thereby accelerating the exposure to reef. This impacted favourably on the stripping ratio in the short term by reducing the ratio to 6.4 on a per m^3 basis (the life of open pit average stripping ratio being 8.5 on a per m^3 basis). The focus remains on opening up access to the full strike length without compromising the overburden stripping. The benefits of maintaining the correct multi-horizon profile will be realised in due course, not only in terms of mining costs but also improved plant feed grades and recoveries.

The suspension of the mining operations following a fatality on 28 September 2015 resulted in the ROM stockpiles being substantially depleted. Accordingly, during the quarter a non-optimal blend of reef was fed into the plants. This has had a negative impact on production, which is expected to stabilise in Q2 FY2016. The mine plan addresses the rebuild of the ROM stocks. Processing throughput was also hampered by the section 54 instructions.

PGM production was impacted by the planned processing of weathered ore extracted from the free dig Far West Pit and the opening up of the western section of the Central Pit. Recoveries remain in line with the plan and are expected to return to the target recovery of 72% once unweathered ore is processed towards the end of the second quarter of FY2016.

The PGM basket price for the quarter of US$687 remains constrained by global macroeconomic conditions.

Chrome production benefitted from improved chrome recoveries and approached the planned 65%.

The chrome concentrate contract price has remained under pressure following the weakening of the South African Rand and devaluation of the Renminbi against the United States Dollar. This coupled with the continued slowdown in the Chinese economy, has resulted in not only reduced pricing but also product demand. The Group continued to benefit from the sales revenue earned on the higher value-add chemical and foundry grade chrome concentrates, which are premium products marketed to a broader market.

While the Group strives to achieve PGM steady state of 144 kozpa and chrome concentrates of 1.5 Mtpa, the impact of the stoppages during this quarter on production make achieving that target in FY2016 a challenging task. These production levels are, however, expected to be achieved on an annualised basis during the financial year. Tharisa's large-scale, long-life, open pit PGM and chrome co-product mine remains on track to prove itself a viable and attractive business notwithstanding the current commodity cycle.

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

Paphos, Cyprus

15 January 2016

Sponsor

Investec Bank Limited