

Tharisa plc

(Incorporated in the Republic of Cyprus with limited liability)

(Registration number HE223412)

JSE share code: THA

LSE share code: THS

A2X share code: THA

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('Tharisa' or the 'Company')

PRODUCTION REPORT FOR THE FIRST QUARTER FY2021¹ ENDED 31 DECEMBER 2020

Consistent production performance, in line with guidance, feeding into a strong PGM market

Tharisa, the leading integrated platinum and chrome producer with operations in South Africa, announces another strong quarter of production ended 31 December 2020. The consistent operational performance underpins the Company maintaining its annual guidance of platinum group metals (PGMs) and chrome concentrates production for FY2021.

Health & Safety

- Strong safety record maintained with an LTIFR of 0.08 per 200 000 man hours worked
- Globally economies have been placed at various levels of lockdown to limit the impact of the coronavirus, with South Africa being placed on a level 3 risk adjusted lockdown, however, operations at the Tharisa Mine continued throughout the period. The Company acknowledges the rapid rise in infections globally, and of concern is the increase in infections in South Africa, with 35 active cases at the Tharisa Mine at the time of reporting
- It is with great sadness that we report that a second employee has succumbed to COVID-19 and we pass our deepest condolences to his family, colleagues and friends

¹ Tharisa's financial year begins 01 October each year, and finishes on 30 September.

Key Operating Highlights

		Quarter ended 31 Dec 2020	Quarter ended 30 Sep 2020	Quarter on quarter movement %	Quarter ended 31 Dec 2019	Year on year movement %
Reef mined	kt	1 234.3	1 405.7	(12.2)	1 143.0	8.0
6E PGMs produced	koz	39.3	40.5	(3.0)	34.4	14.2
Chrome concentrates produced (excluding third party)	kt	372.3	370.8	0.4	342.5	8.7
Average PGM contained metal basket price	US\$/oz	2 399	1 951	22.9	1 406	70.6
Average metallurgical grade chrome concentrate contract price	US\$/t	136	142	(4.2)	145	(6.2)

Metal Pricing

- Average PGM basket price for the year increased to US\$2 399/oz (ZAR37 410/oz) in Q1 FY2021 vs Q1 FY2020 and up 22.9% vs Q4 FY2020
- The current spot price basket price for Tharisa's prill split is US\$2 995/oz with spot prices for the major PGMs as follows
 - o Platinum US\$1 108
 - o Palladium US\$2 421
 - o Rhodium US\$18 840
- Average metallurgical grade chrome price for Q1 FY2021 of US\$136/t (ZAR2 114/t), vs Q1 FY2020 of US\$145/t (ZAR 2 120/t) and Q4 FY2020 of US\$142/t (ZAR2 376/t). The current market price is US\$145/t to US\$150/t

Operational Overview

- PGM production is up 14.2% year on year ('YoY') on a 6E basis to 39.3koz vs 34.4koz in Q1 FY2020 and in line with 40.5koz in Q4 FY2020
- Chrome concentrate production (excluding third party) is up 8.7% YoY to 372.3kt vs 342.5kt in Q1 FY2020 and marginally stronger versus 370.8kt in Q4 FY2020
- Speciality grade chrome production is up 15% YoY to 93.8kt vs 81.5kt in Q1 FY2020 and flat versus 93.2kt in Q4 FY2020 (25.2% of total chrome production vs 23.8% in Q1 FY2020 and 25.1% in Q4 FY 2020)
- The Company concluded a four-year Collective Wage Agreement with the main unions represented at the Tharisa Mine, effective from July 2020 until 30 June 2024

Guidance for FY2021

- The Company remains on track for FY2021 production guidance of 155 koz to 165 koz PGMs (6E basis) and 1.45 Mt to 1.55 Mt of chrome concentrates
- COVID-19 remains a risk to the Company and our forecasts and guidance are premised on the current level of economic activity being permitted by government regulations

Phoevos Pouroulis, CEO of Tharisa, commented:

“The first quarter provided a solid platform for Tharisa to meet its production guidance for the current financial year with all key metrics delivering strong growth versus the same period in FY2020. The consistent performance has been delivered in a strong spot market for PGMs in particular and stable chrome prices.

Construction of the Vulcan processing plant remains on schedule and on budget for commissioning at the end of this financial year, which will further boost Tharisa’s chrome concentrate production from FY2022 onwards.

The significant progress made in optimising our mining operations during the course of 2019 and 2020 has been demonstrated by the consistent performance and availability of our operations over the last several quarters. We continue to invest in our assets and in our market leading research and development, which will contribute to further production growth from our long life Tharisa Mine.

The headwinds from the global COVID-19 pandemic continue to challenge the industry worldwide.”

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About Tharisa

Tharisa is an integrated resource group incorporating mining, processing, exploration and the beneficiation, marketing, sales and logistics of PGMs and chrome concentrates. Its principle asset is the Tharisa Mine located in the South-Western Limb of the Bushveld complex, South Africa. The open pit, mechanised mine has a 14-year open pit life of mine (LOM) and the ability to extend operations underground by at least 40 years. Tharisa is listed on the Johannesburg Stock Exchange (JSE: THA) and the Main Market of the London Stock Exchange (LSE: THS).

Detailed production report

Safety

Safety is a core value, and Tharisa continues to strive for zero harm at its operations. An LTIFR of 0.08 per 200 000 man hours worked was recorded.

The Company has a continuous education campaign to prevent complacency around the COVID-19 pandemic. For full details on all the preventative measures Tharisa has implemented, please go to <https://www.tharisa.com/pdf/covid-19/covid-19-presentation-of-compliance.pdf>

		Quarter ended 31 Dec 2020	Quarter ended 30 Sep 2020	Quarter on quarter movement %	Quarter ended 31 Dec 2019	Year ended 30 Sep 2020
Reef mined	kt	1 234.3	1 405.7	(12.2)	1 143.0	4 971.1
Stripping ratio	m ³ : m ³	11.3	13.0	(13.1)	10.9	12.1
Reef milled	kt	1 413.7	1 401.8	0.8	1 247.1	5 036.1
PGM flotation feed	kt	1 080.3	1 062.5	1.7	921.0	3 765.9
PGM rougher feed grade	g/t	1.43	1.54	(7.1)	1.41	1.46
PGM recovery	%	78.9	77.1	2.3	82.2	80.1
6E PGMs produced	koz	39.3	40.5	(3.0)	34.4	142.1
Platinum produced	koz	21.5	22.7	(5.3)	19.1	78.7
Palladium produced	koz	6.8	6.1	11.5	5.6	23.0
Rhodium produced	koz	3.7	3.9	(5.1)	3.2	13.5
Average PGM contained metal basket price	US\$/oz	2 399	1 951	23.0	1 406	1 704
Platinum price	US\$/oz	946	901	5.0	909	876
Palladium price	US\$/oz	2 349	2 283	2.9	1 744	2 147
Rhodium price	US\$/oz	14 621	10 482	39.5	5 711	8 348
Average PGM contained metal basket price	ZAR/oz	37 410	32 978	13.4	20 745	27 691
Cr ₂ O ₃ ROM grade	%	17.7	18.0	(1.7)	18.3	18.2
Chrome recovery	%	62.8	62.3	0.8	63.1	62.1
Chrome yield	%	26.3	26.4	(0.4)	27.5	26.7
Chrome concentrates produced (excluding third party)	kt	372.3	370.8	0.4	342.5	1 344.8
Metallurgical grade	kt	278.5	277.6	0.3	261.0	1 023.2
Specialty grades	kt	93.8	93.2	0.6	81.5	321.6
Third party chrome production	kt	62.9	52.8	19.1	62.3	169.8
Metallurgical grade chrome concentrate contract price	US\$/t CIF China	136	142	(4.2)	145	140
Metallurgical grade chrome concentrate contract price	ZAR/t CIF China	2 114	2 376	(11.0)	2 120	2 231
Average exchange rate	ZAR:US\$	15.6	16.9	(7.7)	14.7	16.2

Market update and metal production

PGM prices, in particular platinum and rhodium, continued their strong performance for the quarter under review. With Tharisa's prill split favouring rhodium at 9.5%, the Company continues to enjoy a healthy revenue stream from this metal in particular. With platinum now consistently above US\$1 000/oz, the overall basket price was favourably set at US\$2 399/oz for the quarter, and even with a strengthening currency against the US\$, the ZAR prices received per PGM ounce increased to ZAR37 410/oz. Spot PGM basket prices are trading at US\$2 996/oz and ZAR46 150/oz.

While flat quarter on quarter, the chrome market continues to be an important revenue and margin generator for Tharisa. Stainless steel production in China in 2020 was approximately 29.5Mt, an increase of almost 1Mt over 2019. Production is forecast to increase at a rate of 5% to 10% in 2021, with ferrochrome an essential ingredient for the production of stainless steel, demand should increase accordingly. Fortunately for Tharisa, chrome ore demand (and in particular chrome ore concentrates owing to the fact that the Chinese government is phasing out furnaces of 25MVA and less in favour of more efficient and environmentally friendly smelters), offtake for the quarter under review was positive with the majority of production sold. Notwithstanding the imminent Chinese New Year, orders remain strong, noting that the current chrome price is trading at US\$145/t to US\$150/t at the time of reporting, with the ZAR having weakened to spot levels of ZAR15.40/US\$.

Operations update

Operations continued to perform well despite the ongoing headwinds of the COVID-19 pandemic.

Mining

While mining rates were seasonally lower compared to the previous quarter, the volumes mined and the associated strip ratio are in line with guidance and ahead of the life of mine strip requirements. The overall performance remains in line with expectations.

Processing

Recoveries for both PGM and chrome saw slight improvements quarter on quarter and are in line with the planned increases in overall recovery as highlighted in previous announcements. PGM rougher feed grade remains below expectations. This will be addressed as the mine continues with more selective mining on the back of the volume and operational flexibility, which the mine has been developing over the past 18 months.

Construction of the Vulcan plant remains on track.

Labour relations

The Company announced in December 2020 that it had concluded a market related four-year Collective Agreement on Substantive Terms and Conditions of Employment with the main unions represented at the Tharisa Mine, namely the Association of Mineworkers and

Construction Union (AMCU), the National Union of Mineworkers (NUM) and Solidarity. This agreement, in line with the South African inflation rate, provides further stability for the Company moving forward and allows Tharisa to focus on growing the business for the benefit of all stakeholders.

Cash Balance and Debt Position

Tharisa had a cash balance of US\$49.8 million at the end of the quarter and a total debt of US\$45.0 million, of which US\$5.5 million is trade finance facilities, resulting in a positive net cash position of US\$4.8 million.

Outlook

Tharisa maintains its FY2021 production guidance of between 155 koz to 165 koz PGMs (6E basis) and 1.45 Mt to 1.55 Mt of chrome concentrates. The increase in COVID-19 infections remains a risk to the Company and our forecasts and guidance are premised on the current level of economic activity being permitted by government regulations.

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

Paphos, Cyprus
12 January 2021