

**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

ISIN: CY0103562118

LEI: 213800WW4YWMVVZIJM90

('Tharisa' or the 'Company')

**PRODUCTION REPORT FOR THE THIRD QUARTER ENDED 30 JUNE 2023**

Tharisa, the platinum group metals (PGMs) and chrome co-producer dual-listed on the Johannesburg and London stock exchanges, announces its production results for Q3 FY2023<sup>1</sup> and cash balance as at the quarter end.

**Quarter highlights**

- Lost Time Injury Frequency Rate ('LTIFR') of 0.06 per 200 000-man hours worked
- Processing capacity maintained
  - PGM output increased to 37.0 koz (Q2 FY2023: 34.3 koz) with yield maintained and recoveries improving
  - Chrome output marginally lower at 378.8 kt (Q2 FY2023: 404.8 kt) on steady grades, yield, and recoveries
- Mining volumes remain constrained
- Metallurgical grade chrome concentrate prices up 7.8% quarter on quarter averaging US\$290/t (Q2 FY2023: US\$269/t)
- Karo Platinum Project remains on track with major milestones of first concrete pour and pilot mining commenced
- Cash on hand increased by US\$36.8 million to US\$242.6 million (31 March 2023: US\$205.8 million), resulting in a net cash position of US\$141.5 million (31 March 2023: US\$101.1 million)
- Strong balance sheet to support the growth of the business whilst providing returns to shareholders

**Key Operating Numbers**

|  |     | <b>Quarter ended 30 June 2023</b> | Quarter ended 31 March 2023 | <b>Quarter on quarter movement %</b> | Quarter ended 30 June 2022 | <b>Nine months ended 30 June 2023</b> | Nine months ended 30 June 2022 |
|--|-----|-----------------------------------|-----------------------------|--------------------------------------|----------------------------|---------------------------------------|--------------------------------|
| 6E PGMs produced                                     | koz | <b>37.0</b>                       | 34.3                        | 7.9                                  | 42.1                       | <b>114.0</b>                          | 133.9                          |
| Chrome concentrates produced (excluding third party) | kt  | <b>378.8</b>                      | 404.8                       | (6.4)                                | 389.7                      | <b>1 166.7</b>                        | 1 166.4                        |

<sup>1</sup> Tharisa's financial year is from 01 October to 30 September

|   |                        |       |       |        |       |       |       |
|---|------------------------|-------|-------|--------|-------|-------|-------|
| Average PGM contained metal basket price              | US\$/oz                | 1 695 | 2 032 | (16.6) | 2 677 | 2 049 | 2 619 |
| Metallurgical grade chrome concentrate contract price | US\$/t<br>CIF<br>China | 290   | 269   | 7.8    | 247   | 258   | 201   |

**Phoevos Pouroulis, CEO of Tharisa, commented:**

*“The unique co-product model was again highlighted with the Company benefitting from continued favourable chrome pricing while dealing with PGM pricing pressures, resulting in strong free cash generation - ending the period with a further strengthened balance sheet with net cash of over US\$140m.*

*The quarter also allowed us to review our in-pit mining plan with the appointment of a waste material contractor helping to ensure sustainable access to the required reef horizons. Our output will, however, remain subdued for the remainder of the year as we focus on mining flexibility for sustainable reef operations.*

*At Karo, we remain on track with project construction, completing our first concrete pour in June, with pilot mining having commenced. The equity contribution by Tharisa of US\$135 million is being drawn down to match capital requirements with cash flow as we finalise the senior debt portion for this globally strategic mine.*

*Domestic headwinds coupled with macro events and commodity price uncertainty have pressured the business and led to a material disconnect between equity valuations and intrinsic valuation underpinned by cash generation. However, as we have shown in more complex historical times, the nature of Tharisa with modern, low-cost structures leaves us well positioned to weather the environment and continue to provide returns to shareholders while actively and sustainably growing the business.”*

**Health & Safety**

- The health and safety of our stakeholders remains a core value to the Group and Tharisa continues to strive for zero harm at its operations
- LTIFR of 0.06 per 200 000-man hours worked

**Market Update**

- The pressure seen in the PGM market manifested itself in some unusual and often aggressive selling patterns, with renewed fears of a macro economic slowdown, driven by China and the United States, compounding price pressures. This is despite car sales being set to surpass production last year, which should underpin a demand for all PGM metals. However, pipeline destocking meant that this increased demand was satisfied by pipeline inventories. We maintain that while prices are trading near 52-week lows, in the medium to long-term, prices should rise, driven by supply complexities in the major producing regions, with current pricing pressures leading to increased challenges faced by some higher cost producers. While most commentators have pulled back price forecasts in line with recent events, the long-term outlook for even the most conservative forecasts are indicating higher averages for PGMs than current spot prices
- The chrome market showed its ongoing resilience as solid demand meant prices averaged well above those achieved in the previous quarters. While port stocks, which were sitting at multi-year lows have increased, the supply pipeline remains tight, particularly as inland logistics in South Africa remain challenging. In addition, there have been no major primary output increases in the local market due to the lack of available resources and power constraints for smaller producers unable to access standby power. The chrome market looks set to continue its strong performance for the remainder of the calendar year 2023, particularly as new furnace commissioning continues to draw on material demand

**Operational Update**

- Total reef mined of 908.8 kt (Q2 FY2023: 1 028.0 kt) limited by constrained in pit flexibility notwithstanding the increased waste stripping at 14.2 m<sup>3</sup>: m<sup>3</sup> (Q2 FY2023: 12.6 m<sup>3</sup>: m<sup>3</sup>)
- Total reef tonnes milled for the quarter at 1 302.2 kt (Q2 FY2023: 1 370.0 kt), supplemented by strategic ROM ore purchases

- Quarterly PGM production at 37.0 koz (Q2 FY2023: 34.3 koz)
  - Rougher feed grade of 1.67 g/t (Q2 FY2023: 1.66 g/t)
  - Recovery of 69.0% (Q2 FY2023: 61.9%) as the plants processed more fresh material
- Quarterly chrome production at 378.8 kt (Q2 FY2023: 404.8 kt)
  - Grade of 17.8% Cr<sub>2</sub>O<sub>3</sub> (Q2 FY2023: 18.4%)
  - Recovery at 67.9% (Q2 FY2023: 66.6%)
  - Speciality chrome production improving as spiral replacement program has been completed

#### **Karo Platinum Update**

- No LTI recorded on the project to date
- 540 people on site, of which 99 are Karo employees with the balance contractor employees
- Concrete foundation pouring progressing well with earthworks nearing completion
- Pilot mining commenced with contractor and staff onsite to commence operational tests
- Long-lead items manufacturing progressing as planned with first major deliveries schedule for Q4 calendar 2023
- Powerline construction to commence this quarter

#### **Cash Balance and Debt Position**

Tharisa had a cash balance of US\$242.6 million (31 March 2023: US\$205.8 million) at the end of the quarter, and debt of US\$101.1 million (31 March 2023: US\$99.0 million), resulting in a net cash position of US\$141.5 million (31 March 2023: US\$101.1million). These cash and debt numbers continue to exclude the recently concluded US\$130 million facilities which are undrawn at the reporting period.

## Production Numbers

|   |                                 | Quarter ended<br>30 June<br>2023 | Quarter ended<br>31 March<br>2023 | Quarter on<br>quarter<br>movement<br>% | Quarter ended<br>30 June<br>2022 | Nine<br>months<br>ended<br>30 June<br>2023 | Nine<br>months<br>ended<br>30 June<br>2022 |
|---|---------------------------------|----------------------------------|-----------------------------------|--|----------------------------------|--|--|
| Reef mined  | kt                              | <b>908.8</b>                     | 1 028.0                           | (11.6)                                 | 1 357.1                          | <b>3 018.4</b>                             | 4 190.7                                    |
| Stripping ratio                                       | m <sup>3</sup> : m <sup>3</sup> | <b>14.2</b>                      | 12.6                              | 12.7                                   | 14.2                             | <b>12.3</b>                                | 12.6                                       |
| Reef milled   | kt                              | <b>1 302.2</b>                   | 1 370.0                           | (4.9)                                  | 1 367.1                          | <b>4 099.5</b>                             | 4 161.4                                    |
| PGM flotation feed                                    | kt                              | <b>996.5</b>                     | 1 039.6                           | (4.1)                                  | 1 051.4                          | <b>3 151.4</b>                             | 3 166.4                                    |
| PGM rougher feed grade                                | g/t                             | <b>1.67</b>                      | 1.66                              | 0.6                                    | 1.65                             | <b>1.66</b>                                | 1.71                                       |
| PGM recovery  | %                               | <b>69.0</b>                      | 61.9                              | 11.5                                   | 75.6                             | <b>67.6</b>                                | 76.8                                       |
| 6E PGMs produced                                      | koz                             | <b>37.0</b>                      | 34.3                              | 7.9                                    | 42.1                             | <b>114.0</b>                               | 133.9                                      |
| Platinum produced                                     | koz                             | <b>20.9</b>                      | 19.7                              | 6.1                                    | 23.1                             | <b>63.8</b>                                | 73.9                                       |
| Palladium produced                                    | koz                             | <b>6.6</b>                       | 6.1                               | 8.2                                    | 7.2                              | <b>20.1</b>                                | 22.1                                       |
| Rhodium produced                                      | koz                             | <b>3.4</b>                       | 3.0                               | 13.3                                   | 4.0                              | <b>10.6</b>                                | 12.8                                       |
| Average PGM contained metal basket price              | US\$/oz                         | <b>1 695</b>                     | 2 032                             | (16.6)                                 | 2 677                            | <b>2 049</b>                               | 2 619                                      |
| Platinum price  | US\$/oz                         | <b>1 034</b>                     | 1 004                             | 3.0                                    | 958                              | <b>994</b>                                 | 994  |
| Palladium price                                       | US\$/oz                         | <b>1 441</b>                     | 1 563                             | (7.8)                                  | 2 100                            | <b>1 664</b>                               | 2 117                                      |
| Rhodium price   | US\$/oz                         | <b>6 959</b>                     | 10 812                            | (35.6)                                 | 15 755                           | <b>10 467</b>                              | 15 370                                     |
| Average PGM contained metal basket price              | ZAR/oz                          | <b>31 544</b>                    | 35 801                            | (11.9)                                 | 41 531                           | <b>36 671</b>                              | 40 299                                     |
| Cr <sub>2</sub> O <sub>3</sub> ROM grade              | %                               | <b>17.8</b>                      | 18.4                              | (3.3)                                  | 17.0                             | <b>17.7</b>                                | 17.4                                       |
| Chrome recovery                                       | %                               | <b>67.9</b>                      | 66.6                              | 2.0                                    | 70.2                             | <b>66.7</b>                                | 67.8                                       |
| Chrome yield  | %                               | <b>29.1</b>                      | 29.5                              | (1.4)                                  | 28.5                             | <b>28.5</b>                                | 28.0                                       |
| Chrome concentrates produced (excluding third party)  | kt                              | <b>378.8</b>                     | 404.8                             | (6.4)                                  | 389.7                            | <b>1 166.7</b>                             | 1 166.4                                    |
| Metallurgical grade                                   | kt                              | <b>306.0</b>                     | 365.3                             | (16.2)                                 | 307.0                            | <b>1 018.5</b>                             | 907.3                                      |
| Specialty grades                                      | kt                              | <b>72.8</b>                      | 39.5                              | 84.3                                   | 82.7                             | <b>148.2</b>                               | 259.1                                      |
| Third party chrome production                         | kt                              | <b>56.2</b>                      | 45.8                              | 22.7                                   | 47.4                             | <b>143.0</b>                               | 150.0                                      |
| Metallurgical grade chrome concentrate contract price | US\$/t<br>CIF<br>China          | <b>290</b>                       | 269                               | 7.8                                    | 247                              | <b>258</b>                                 | 201  |

|   |                       |              |       |      |       |              |       |
|---|-----------------------|--------------|-------|------|-------|--------------|-------|
| Metallurgical grade chrome concentrate contract price | ZAR/t<br>CIF<br>China | <b>5 519</b> | 4 827 | 14.3 | 3 900 | <b>4 680</b> | 3 112 |
| Average exchange rate                                 | ZAR:US\$              | <b>18.7</b>  | 17.8  | 5.1  | 15.6  | <b>18.0</b>  | 15.4  |

Paphos, Cyprus

12 July 2023

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**About Tharisa**

Tharisa is an integrated resource group critical to the energy transition and decarbonisation of economies. It incorporates exploration, mining, processing and the beneficiation, marketing, sales, and logistics of PGMs and chrome concentrates, using innovation and technology as enablers. Its principal operating asset is the Tharisa Mine, located in the south-western limb of the Bushveld Complex, South Africa. The mechanised mine has an 18 year pit life and can extend operations underground by at least 40 years. Tharisa also owns Karo Platinum, a low-cost, open-pit PGM asset under construction and located on the Great Dyke in Zimbabwe. The Company is

committed to reducing its carbon emissions by 30% by 2030 and the development of a roadmap is continuing to be net carbon neutral by 2050. Tharisa plc is listed on the Johannesburg Stock Exchange (JSE: THA) and the Main Board of the London Stock Exchange (LSE: THS).