

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 SECOND QUARTER ENDED 31 MARCH 2022¹

Stable mining and PGM output as Vulcan Plant comes online

Tharisa, the platinum group metals (PGMs) and chrome co-producer dual-listed on the Johannesburg and London stock exchanges, announces production and cash balance numbers for Q2 FY2022.

Second quarter highlights

- Lost Time Injury Frequency Rate ('LTIFR') of 0.72 per 200 000 man-hours worked
- Mining rates maintained with mining blend optimised for PGMs, resulting in slightly lower chrome grade
- Steady recoveries, despite secondary mill breakdowns, resulting in slightly lower quarterly production in Q2 compared to the record Q1:
 - PGM production of 44.1 koz, down 7.5% (Q1: 47.7 koz) at an improved average PGM basket price up 17.2% at US\$2 806/oz (Q1: US\$2 394/oz)
 - Chrome production of 374.9 kt, down 6.7% (Q1: 401.8 kt), at an improved average metallurgical grade chrome price up 9.9% to US\$177/t (US\$161/t)
- Gradual ramp up of Vulcan Plant production with plant commissioning
- Consistent production into rising commodity prices further strengthened the Company's balance sheet
 - Cash balance of US\$101.5 million and a positive net cash position of US\$25.9 million
 - FY2021 final dividend payment of US\$14.1 million on 16 March 2022
- Announced acquisition of remaining 26% shareholding in Tharisa Minerals in a landmark BEE transaction
- Acquired controlling interest in Karo Mining Holdings with exercise of farm-in option at a discount to the project NPV for a purchase consideration of US\$27.0 million
- Appointed Bernard Pryor as MD of Karo Mining Holdings post quarter end

¹ Tharisa's financial year begins 01 October and ends on 30 September.

Key Operating Numbers

		Quarter ended 31 Mar 2022	Quarter ended 31 Dec 2021	Quarter on quarter movement %	Quarter ended 31 Mar 2021	Half year ended 31 Mar 2022	Half year ended 31 Mar 2021
Reef mined	kt	1 419.7	1 413.9	0.4	1 233.2	2 833.6	2 467.5
6E PGMs produced	koz	44.1	47.7	(7.5)	35.8	91.8	75.1
Chrome concentrates produced (excluding third party)	kt	374.9	401.8	(6.7)	358.4	776.7	730.7
Average PGM contained metal basket price	US\$/oz	2 806	2 394	17.2	3 290	2 592	2 823
Metallurgical grade chrome concentrate contract price	US\$/t CIF China	177	161	9.9	155	175	145

Phoevos Pouroulis, CEO of Tharisa, commented:

“Another safe and strong mining performance in what is traditionally our toughest operating quarter. Mining rates remain at record levels with production being impacted by certain secondary mill challenges which have since been addressed. These challenges dampened throughput and in turn production. This quarter’s output, though slightly lower, needs to be measured against our record breaking quarterly run rate and our step change to higher output remains intact on an annualised basis. Despite these challenges, on a half year comparable basis to 2021, PGM and chrome concentrates production increased by 22.2% and 6.3% respectively.

With continued focus on grade and throughput and the ramp-up of the Vulcan Plant production, we remain confident on achieving market guidance.

As Tharisa maintains its growth strategy, we have taken significant strides in simplifying the Group structure, through the consolidation of our ownership of Tharisa Minerals in a landmark BEE transaction, benefiting all shareholders. We also progressed our much anticipated cross border step by announcing our plans for developing the tier 1 Karo PGM project, doubling our PGM production within 24 months.

The transformation of Tharisa into a multi-asset, multi-commodity and multi-jurisdiction business, combined with strong PGM and chrome prices, as well as the further production upside from initiatives including the ramp of the Vulcan Plant at the Tharisa Mine, provide a very healthy outlook for the prospects of the Company in the second half of the year, and beyond.”

Health & Safety

- The health and safety of our stakeholders remains a core value to the Company and Tharisa continues to strive for zero harm at its operations
- LTIFR of 0.72 per 200 000 man-hours worked

Market Update

- The PGM market was driven by two forces, one structural, where demand for all metals remained strong, pushing prices up as the market absorbed potential inventory overhangs from the last 12

months, as the global pipeline for automobiles and computer chips grew, as economic activity was lifted. The second force, unfortunately, was driven by geopolitical events, that saw buyers ensuring access to metal supply due to uncertainty of supply from Russia. These concerns are warranted as the latest sanctions by the London Platinum and Palladium Market on certain refiners indicates the market will tighten, although demand from certain countries still trading with Russia is being met by that output, for now. Any operational shortfall by the major producing country, South Africa, will assist in the tight demand supply balance supporting prices and, unless there is a significant drop in economic activity, prices and the outlook for the next 24 months and the longer term remain firmly intact.

- Higher chrome prices were in line with global trends for commodities. Strong demand was supported by lower pipeline inventories and increased consumption. Despite the continued logistical challenge, both inland and sea freight, Tharisa was able to deliver into its order book with inventory on hand at normal levels. Prices remain healthy but we are of the view there are too many headwinds to incentivise new production thus maintaining the current supply/demand balance, which at this stage, may be weighted to a slight deficit.

Operational Update

- Total reef mined 1 419.7 kt, flat quarter on quarter
 - Stripping ratio increased 13.4% to 12.7 m³: m³ as the mine continues to enhance its in pit flexibility with the increased life of the open pit
 - Tonnes milled reduced as a consequence of secondary mill issues since resolved
 - H1 PGM production up 22.2% to 91.8 koz and down 7.5% at 44.1 koz QoQ due to lower milling and lower recoveries due to secondary mill by-passing
 - H1 chrome production rose by 6.3% to 776.7 kt and fell almost 7% QoQ to 374.9 kt due to the lower milling and lower feed grade
- Vulcan Plant ramp-up slower than forecast, however reaching higher levels in March 2022, with the daily target output due to be reached within this quarter

Zimbabwe update

- As previously announced, Tharisa has increased its shareholding in Karo Holdings to 66.3% and this was completed post quarter end
 - Implementation study at Karo Platinum proving the robust economics of the first phase of the project while still presenting significant growth opportunities
- Salene Chrome plant commissioning underway, production due to commence in Q3 FY2022

Cash balance and debt position

- Tharisa had a cash balance of US\$101.5 million (31 December 2021 US\$79.1 million) at the end of the quarter and debt of US\$75.6 million (31 December 2021 US\$54.7 million) after a final FY2021 dividend payment of US\$14.1 million. The increased cash has resulted in a positive net cash position of US\$25.9 million (31 December 2021 US\$24.4 million).

Guidance

- FY2022 production guidance of between 165 koz to 175 koz PGMs (6E basis) and 1.75 Mt to 1.85 Mt of chrome concentrates is maintained.

		Quarter ended 31 Mar 2022	Quarter ended 31 Dec 2021	Quarter on quarter movement %	Quarter ended 31 Mar 2021	Half year ended 31 Mar 2022	Half year ended 31 Mar 2021
Reef mined	kt	1 419.7	1 413.9	0.4	1 233.2	2 833.6	2 467.5
Stripping ratio	m ³ : m ³	12.7	11.2	13.4	11.8	11.9	11.5
Reef milled	kt	1 362.2	1 432.1	(4.9)	1 345.2	2 794.3	2 758.9
PGM flotation feed	kt	1 045.7	1 069.3	(2.2)	1 023.9	2 115.0	2 104.2
PGM rougher feed grade	g/t	1.74	1.75	(0.6)	1.41	1.74	1.42
PGM recovery	%	75.4	79.3	(4.9)	77.1	77.4	78.1
6E PGMs produced	koz	44.1	47.7	(7.5)	35.8	91.8	75.1
Platinum produced	koz	24.3	26.5	(8.3)	19.8	50.8	41.3
Palladium produced	koz	7.4	7.5	(1.3)	5.4	14.9	12.2
Rhodium produced	koz	4.2	4.6	(8.7)	3.5	8.8	7.2
Average PGM contained metal basket price	US\$/oz	2 806	2 394	17.2	3 290	2 592	2 823
Platinum price	US\$/oz	1 026	997	2.9	1 164	1 011	1 063
Palladium price	US\$/oz	2 312	1 941	19.1	2 399	2 125	2 374
Rhodium price	US\$/oz	17 023	13 522	25.9	21 521	15 189	18 354
Average PGM contained metal basket price	ZAR/oz	42 784	36 897	16.0	49 273	39 721	43 051
Cr ₂ O ₃ ROM grade	%	17.1	18.1	(5.5)	18.0	17.6	17.8
Chrome recovery	%	67.8	65.6	3.4	62.4	66.7	62.6
Chrome yield	%	27.5	28.1	(2.1)	26.6	27.8	26.5
Chrome concentrates produced (excluding third party)	kt	374.9	401.8	(6.7)	358.4	776.7	730.7
Metallurgical grade	kt	295.0	305.3	(3.4)	272.8	600.3	551.3
Specialty grades	kt	79.9	96.5	(17.2)	85.6	176.4	179.4
Third party chrome production	kt	53.4	49.2	8.5	49.5	102.6	112.4

Metallurgical grade chrome concentrate contract price	US\$/t CIF China	177	161	9.9	155	175	145
Metallurgical grade chrome concentrate contract price	ZAR/t CIF China	2 700	2 471	9.3	2 304	2 670	2 203
Average exchange rate	ZAR:US\$	15.2	15.4	(1.3)	15.0	15.3	15.3

Paphos, Cyprus

12 April 2022

JSE Sponsor

Investec Bank Limited

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About Tharisa

Tharisa is an integrated resource group critical to the energy transition and decarbonisation of economies. It incorporates mining, processing, exploration, 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 a 20-year open-pit life and the ability to extend operations underground by at least an additional 40 years. Tharisa also owns Karo Mining Holdings and Salene Chrome, development stage, low-cost, open-pit PGM and chrome assets respectively, 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).