

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' or the 'Company')

Production report for the quarter ended 31 March 2019

Mining volumes show upward trend as Tharisa invests to deliver on Vision 2020

Salient features for the quarter ended 31 March 2019

- Quarterly improvement in reef tonnes mined and stripping ratio, of 3.9% and 10.4% respectively
- Production drilling improved by 9.5% quarter on quarter
- Completed two thirds removal of the required additional in-pit material for the pit optimisation
- Platinum Group Metals ('PGM') recovery at 85.5% with PGM production of 34.0 koz, an increase of 11.8% and 1.2% respectively quarter on quarter
- Chrome recovery at 62.9% with chrome production of 308.7 kt, an increase of 6.8% and 1.1% respectively

Salient features for the six months ended 31 March 2019

- Pit redesign and bench optimisation on track
- Investment in mining fleet delivering results
- Chrome feed grade slightly improved from 18.1% to 18.2%
- Increased third party chrome production from comparable period by 5.9% to 112.5 kt
- While the chrome market was weaker with an average US\$30/t reduction in the metallurgical grade chrome concentrate contract price, the PGM basket price increased by 11.9% in US\$

Commenting on the production results, Tharisa CEO Phoevos Pouroulis, said:

"I am pleased to report that we are once again on track to meet our Vision 2020 targets in part assisted by substantial improvements from our mining operations in the second quarter. We have made considerable progress in redesigning the pit, which necessitated moving almost 1.3 million m³ of additional in-pit material over the last six months. When this is factored into our overall strip ratio, we are now tracking our LOM strip ratio. This illustrates that Tharisa has capacity to mine the volumes required to meet our Vision 2020 targets. We are also pleased that our recoveries are once again heading to industry best standards due to sustainably providing fresh ore to the plants rather than the inclusion of lower grade tailings. To support the delivery of our targets, we have fully assessed the mining fleet and brought forward the mining equipment replacement programme, where necessary. Tharisa has also made the appropriate investments to ensure the supply of consistent power to our operations in view of the uncertain power situation in South Africa over the last few months."

Safety

Safety is one of Tharisa's core values and the Company continues to strive for zero harm at its operations. An LTIFR of 0.24 per 200 000-man hours worked was recorded at the end of the quarter.

Production update

The production update for the quarter ended 31 March 2019 is as follows:

		Quarter ended 31 Mar 2019	Quarter ended 31 Dec 2018	Quarter on quarter movement %	Quarter ended 31 Mar 2018	Half year ended 31 Mar 2019	Half year ended 31 Mar 2018
Reef mined	kt	1 132.9	1 090.6	3.9	1 206.0	2 223.5	2 451.3
Stripping ratio	m ³ : m ³	7.4	6.7	10.4	8.5	7.1	8.1
Reef milled	kt	1 145.0*	1 192.5*	(4.0)	1 287.2	2 337.5*	2 597.4
PGM flotation feed	kt	850.3	901.3	(5.7)	936.0	1 751.6	1 895.6
PGM rougher feed grade	g/t	1.46	1.59	(8.2)	1.54	1.49	1.52
PGM recovery	%	85.5	76.5	11.8	82.2	80.7	83.2
6E PGMs produced	koz	34.0	33.6	1.2	38.2	67.6	77.0
Average PGM contained metal basket price	US\$/oz	1 048	983	6.6	953	1 017	909
Average PGM contained metal basket price	ZAR/oz	14 694	14 050	4.6	11 384	14 382	11 606
Cr ₂ O ₃ ROM grade	%	18.0	18.5	(2.7)	18.2	18.2	18.1
Chrome recovery	%	62.9	58.9	6.8	66.3	60.8	65.9
Chrome yield	%	27.0	25.6	5.5	28.5	26.3	28.2
Chrome concentrates produced (excluding third party)	kt	308.7	305.4	1.1	366.7	614.1	732.5
Metallurgical grade	kt	232.6	233.4	(0.3)	281.2	466.0	558.9
Specialty grades	kt	76.1	72.0	5.7	85.5	148.1	173.6
Third party chrome production	kt	60.3	52.2	15.5	53.4	112.5	106.2
Metallurgical grade chrome concentrate contract price	US\$/t CIF China	162	164	(1.2)	206	163	193
Metallurgical grade chrome concentrate contract price	ZAR/t CIF China	2 268	2 311	(1.9)	2 444	2 289	2 436
Average exchange rate	ZAR:US\$	14.2	14.3	(0.7)	12.0	14.0	12.8

* includes the processing of 23.1 kt, 75.9 kt and 99.0 kt of commissioning tails through the processing plants for the quarter ended 31 March 2019, quarter ended 31 December 2018 and half year ended 31 March 2019 respectively

Mining

Drilling of both waste and reef, the foundation to delivering on required mining volumes, increased by 9.5% quarter on quarter and contributed to the successful mining of 1 132.9 kt of ROM during the quarter, a 3.9% increase over the previous quarter. A total of 2.4 Mm³ of over- and inter- burden waste was mined for the quarter, an increase of 15.6% from the first quarter. The stripping ratio of 7.4 on a m³:m³ basis remained below the LOM average of 9.5.

Notable was our overall ability to move increased volume as the mine moved almost 1.3 Mm³ of additional in-pit material in order to optimise the pit over the six months. This additional volume was not included in the calculation of the strip ratio, but accounted for about 25% of the total volume moved during the half year. When included in the stripping ratio calculation, the total waste volume moved by the mining fleet in the second quarter achieved a ratio of 9.4 m³:m³. The pit redesign, which will require a further 0.6 Mm³ of material to be moved, will achieve the following:

- The extension and widening of the East Pit to optimise logistics
- Improved access to the East Pit from the north side with more regular backfill now possible on the south side as the pit advances to the north
- Longer benches and thus better drilling, blasting and hauling continuity as access roads that previously ran north-south are now running parallel to the pit as the pit advances
- Longer benches will also ensure more optimal product mix and grade control to be delivered to both the Genesis and Voyager Plants, which have a PGM and chrome bias respectively

The new Caterpillar 6050 face shovel was commissioned in the last quarter and has proven its ability to move large volumes of waste material, with over 1.1 Mm³ of waste material moved since commissioning for the quarter.

The transition to a 24-hour continuous operation in the East Pit was completed in the latter part of the quarter after a slight delay, resulting in a capacity increase of 15%.

As a consequence of the pit redesign, the optimal reef mix was not mined and impacted on the PGM rougher feed grade which declined by 8.2% for the quarter to 1.46 g/t and the Cr₂O₃ ROM feed grade which decreased by 2.7% to 18.0% for the period.

Processing

The reduced level of ROM material was supplemented with the re-processing of 23.1 kt commissioning tailings to maintain plant throughput, comprising 2.0% of combined mill throughput, allowing for a total of 1 145.0 kt of reef to be milled in the second quarter, a 4.0% decrease from the first quarter. The re-processing of commissioning tails was discontinued early in the quarter, allowing the process recoveries to return to previous levels.

While the processing operations are largely insulated from load shedding stage 1 to 3 in South Africa, the unprecedented stage 4 load shedding in March 2019 introduced instability into the processing plants and, at times, necessitated the stopping of certain processing circuits including the crusher circuits and part of

the mill circuits, thereby impacting on overall production. Subsequently measures have been put in place to mitigate the risk of further load shedding and the impact on production with alternative standby diesel generator capacity.

PGM production increased by 1.2% to 34.0 koz (6E basis) over the previous quarter and it was pleasing to see recoveries of 85.5%. Chrome concentrate production increased by 1.1% to 308.7 kt, a recovery of 62.9%. The production of specialty grade chrome concentrates increased by 5.7%, from 72.0 kt in the last quarter to 76.1 kt.

The chrome production for the quarter from the Lonmin K3 chrome plant was 60.3 kt, an increase of 15.5% from the previous quarter.

Market update

The average PGM contained metal basket price for the second quarter was US\$1 048/oz (ZAR14 694/oz), an increase of 6.6% in US\$ terms from the last quarter and 4.6% in ZAR terms.

The average metallurgical grade chrome concentrate contract price was US\$162/t (ZAR2 268/t), which was marginally lower in US\$ (1.2%) and ZAR terms (1.9%) for the quarter. The Group's policy is to make continuous monthly sales and maintain limited pipeline inventory with metallurgical grade chrome contract prices strengthening by some US\$20/t to approximately US\$180/t post the reporting period.

Specialty chrome concentrates, which accounted for 24.7% of Tharisa's quarterly chrome production, continued to attract a premium to metallurgical chrome concentrate prices.

Zimbabwe

Tharisa has a 26.8% shareholding in Karo Mining Holdings Limited, which was awarded a Special Grant over an area covering 23 903 ha on the Great Dyke of Zimbabwe, one of the world's largest PGM resources. Drilling has been very successful on the property and at the end of March 2019, approximately 17 250 metres and 102 holes have been completed with various regulatory permissions either having been granted or under review by the relevant authorities.

Outlook

Tharisa's FY2019 production guidance remains at a minimum of 150 koz PGMs (6E basis) and 1.4 Mt of chrome concentrates, of which 25% is expected to be speciality grade chrome concentrates. The Tharisa team will continue to implement the Vision 2020 projects during FY2019, targeting 200 koz of PGMs and 2.0 Mt of chrome concentrates in CY2020.

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

Paphos, Cyprus

11 April 2019

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