

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')

First quarter production report for the quarter ended 31 December 2019

Stable production sets a steady foundation despite external disruptions

Salient features for the quarter ended 31 December 2019

- Reef tonnes mined 1 143.0 kt and tonnes milled 1 247.1 kt
- Platinum Group Metals ('PGMs') recovery at 82.2% with production of 34.4 koz on a 6E basis
- Chrome recovery at 63.1% with concentrate production of 342.5 kt
- Record PGM metal basket price for the quarter at US\$1 406/oz, and increase of 16.1% over the quarter
- Average chrome price received for the quarter was US\$145/t
- Stripping ratio of 10.9 m³:m³
- Unprecedented inclement weather and electricity load shedding by Eskom impacted production

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

“A solid operational performance from mining and processing lead to a stable quarter despite the adverse impact of weather, and the well-publicised Eskom power shortages. Whilst Tharisa benefits from our overall low usage and stand-by capacity, the unprecedented moves to “Stage 6” load-shedding and consequent power reductions, did provide disruption to the processing plants’ stability. Overall, plant performance was commendable. Mining, accounting for the weather-related impact, was in line with expectations and we should see a build up towards the latter half of the year. Our co-product model remains robust as record PGM prices were received. However, we remain concerned about the prevailing low chrome and ferrochrome prices, which has had a negative effect on the chrome industry. Our progress in Zimbabwe is continuing as planned.”

Safety

Safety is a core value and Tharisa continues to strive for zero harm at its operations. A LTIFR of 0.21 per 200 000 man hours worked was recorded at the end of the quarter.

Production update

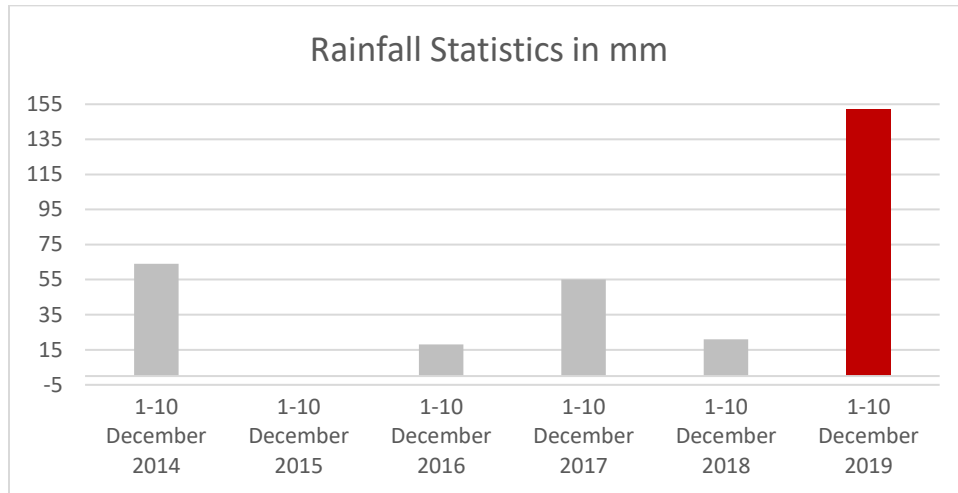
The production update for the quarter ended 31 December 2019 is as follows:

| | | Quarter ended 31 Dec 2019 | Quarter ended 30 Sept 2019 | Quarter on quarter movement % | Quarter ended 31 Dec 2018 | Year ended 30 Sept 2019 |
|---|---------------------------------|---------------------------------|----------------------------------|--|---------------------------------|-------------------------------|
| Reef mined | kt | 1 143.0 | 1 248.2 | (8.4) | 1 090.6 | 4 627.1 |
| Stripping ratio | m ³ : m ³ | 10.9 | 10.3 | 5.8 | 6.7 | 8.3 |
| Reef milled | kt | 1 247.1 | 1 291.2 | (3.4) | 1 192.5 | 4 836.0 |
| PGM flotation feed | kt | 921.0 | 965.2 | (4.6) | 901.3 | 3 605.9 |
| PGM rougher feed grade | g/t | 1.41 | 1.44 | (2.1) | 1.59 | 1.47 |
| PGM recovery | % | 82.2 | 84.7 | (3.0) | 76.5 | 82.1 |
| 6E PGMs produced | koz | 34.4 | 38.0 | (9.5) | 33.6 | 139.7 |
| Average PGM contained metal basket price | US\$/oz | 1 406 | 1 211 | 16.1 | 983 | 1 081 |
| Average PGM contained metal basket price | ZAR/oz | 20 745 | 17 792 | 16.6 | 14 050 | 15 531 |
| Cr ₂ O ₃ ROM grade | % | 18.3 | 18.3 | - | 18.5 | 18.1 |
| Chrome recovery | % | 63.1 | 61.0 | 3.4 | 58.9 | 62.0 |
| Chrome yield | % | 27.5 | 26.5 | 3.8 | 25.6 | 26.7 |
| Chrome concentrates produced (excluding third party) | kt | 342.5 | 341.9 | 0.2 | 305.4 | 1 290.0 |
| Metallurgical grade | kt | 261.0 | 252.4 | 3.4 | 233.4 | 977.9 |
| Specialty grades | kt | 81.5 | 89.5 | (8.9) | 72.0 | 312.1 |
| Third party chrome production | kt | 62.3 | 69.4 | (10.2) | 52.2 | 241.1 |
| Metallurgical grade chrome concentrate contract price | US\$/t CIF China | 145 | 148 | (2.0) | 164 | 162 |
| Metallurgical grade chrome concentrate contract price | ZAR/t CIF China | 2 120 | 2 203 | (3.8) | 2 311 | 2 322 |
| Average exchange rate | ZAR:US\$ | 14.7 | 14.7 | - | 14.3 | 14.4 |

Mining

Reef tonnes mined totalled 1 143.0 kt, which when compared to the previous comparable quarter in December 2018 was up 4.8% but lower than the previous quarter ended September 2019, as inclement

weather impacted the open pit operation, resulting in a ROM ‘ opportunity loss ‘ of over 230 kt. Rainfall during December was 137% higher than the previously recorded highest rainfall in the five prior years.



The lower reef tonnage had a direct impact on reef milled but was up when compared to December 2018 at 1 247.1 kt.

The stripping ratio improved against all measurements at 10.9 m³:m³.

Processing

Stand by power generating capacity mitigated the impact of Eskom loadshedding on the processing plants although the increase to “Stage 6” and the resultant electricity curtailment did result in an overall reduction in tonnes milled of 11.2 kt which had a further impact on overall chrome production.

PGM production was 34.4 koz (6E basis) from a rougher feed grade of 1.41 g/t and recoveries at 82.2%.

Chrome concentrate production was 342.5 kt, comprising 261.0 kt of metallurgical grade and 81.5 kt of specialty grade. Third party chrome production was 62.3 kt, as the K3 plant was closed during December.

Market update

Our co-product business model has benefitted from record PGM prices, with the average PGM contained metal basket price for the quarter at US\$1 406/oz (ZAR20 745/oz), with palladium and rhodium continuing to be the main driver of the increased basket price.

The average chrome price received for the quarter was US\$145/t with current spot trading at US\$133/t, levels the Company believes are unsustainable in the long-term, but expectations are for chrome concentrate prices to remain at these levels during the current quarter, with some potential for improvement into the third quarter.

Outlook

Tharisa's FY2020 production guidance remains at 155 koz to 165 koz PGMs (6E basis) and 1.45 Mt to 1.55 Mt of chrome concentrates.

The co-product model remains robust and we continue to enjoy the benefits of record PGM basket prices as we ramp up production in both PGM and chrome concentrates.

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

Paphos, Cyprus

10 January 2020

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