

Tharisa plc

(Incorporated in the Republic of Cyprus with limited liability)

(Registration number HE223412)

JSE share code: THA

ISIN: CY0103562118

('Tharisa')

Tharisa's second quarter mining and processing at steady state levels on an annualised basis

Below is Tharisa's second quarter production report for three months ended 31 March 2016.

Safety

Safety remains a priority and Tharisa continues to strive for zero harm at its operations. An improved focus on safety in the second quarter resulted in reduced lost time injuries. The lost time injury frequency rate as at 31 March 2016, was 0.3 per 200 000 hours.

The quarter on quarter analysis needs to take into account the reversion to a single mining contractor in the first quarter of FY2016 and the number of production shifts lost due to safety stoppages in that quarter. A continued focus on safety contributed to a significant reduction in safety related stoppages in Q2 FY2016 and resulted in mining and processing achieving steady state levels for the quarter.

Production update

The production update for the quarter ended 31 March 2016 is as follows:

		Quarter ended 31 March 2016	Quarter ended 31 December 2015	Quarter ended 31 March 2015	Half year ended 31 March 2016	Half year ended 31 March 2015	Financial year ended 30 September 2015
Reef mined	kt	1 234.2	1 124.4	1 042.1	2 358.6	1 948.0	4 183.2
Stripping ratio	m ³ waste/m ³ reef	7.1	6.4	9.8	6.8	10.0	10.7
Reef milled	kt	1 199.6	997.4	1 167.1	2 197.0	2 198.7	4 400.4
PGM flotation feed tonnes	kt	942.3	765.8	907.2	1 708.1	1 712.2	3 446.2
PGM rougher feed grade	g/t	1.74	1.61	1.65	1.68	1.65	1.62
6E PGMs produced	koz	36.0	24.0	33.0	60.0	57.4	118.0
PGM recovery	%	68.5	60.4	68.6	65.0	63.1	65.8
Average PGM contained metal basket price	US\$/oz	685	687	935	686	945	885
Average PGM contained metal basket price	ZAR/oz	10 849	9 865	10 991	10 448	10 888	10 608

		Quarter ended 31 March 2016	Quarter ended 31 December 2015	Quarter ended 31 March 2015	Half year ended 31 March 2016	Half year ended 31 March 2015	Financial year ended 30 September 2015
Cr ₂ O ₃ RoM grade	%	18.3	18.5	18.8	18.4	18.7	18.3
Chrome recovery	%	63.9	61.5	57.5	62.8	56.7	58.0
Chrome yield	%	27.7	27.3	26.2	27.5	25.6	25.5
Chrome concentrates produced	kt	332.3	272.1	305.5	604.4	563.3	1 122.2
Metallurgical grade	kt	259.9	238.7	283.6	498.6	515.9	1 009.4
Speciality grades	kt	72.4	33.4	21.9	105.8	47.4	112.8
Metallurgical grade chrome concentrate contract price	US\$/t CIF China	81	124	155	106	156	158
Metallurgical grade chrome concentrate contract price	ZAR/t CIF China	1 262	1 777	1 742	1 562	1 793	1 894
Average exchange rate	ZAR:US\$	15.8	14.2	11.7	15.0	11.5	12.0

Second quarter commentary

Tharisa Minerals recorded a number of milestone achievements during the quarter including (on an annualised basis) reef mined exceeding the steady state required run rate of 4.8 Mtpa, mill throughput performing at nameplate design capacity and contained PGM production on a 6E basis meeting the steady state production level.

The continued focus on opening up access to the full mining strike length and benefits of maintaining the correct multi-reef layer profile are being realised not only in terms of mine costs, but importantly consistency of plant feed grades resulting in improved recoveries. The continued focus on interburden stripping (rather than overburden stripping) contributed to improved ore exposure and feed grade flexibility during the quarter with a relatively low stripping ratio of 7.1 on a per m³ basis. This is expected to return to the life of open pit average stripping ratio of 8.5 on a m³ basis in the near term.

The improved reef mining has increased ROM stockpiles ahead of the mills and has allowed for improved reef layer blending and better feed grade consistency, resulting in improved plant recoveries and running times.

Contained PGMs on a 6E basis for the quarter, on an annualised basis, achieved steady state production of 144.0 kozpa. The focus on improving the recoveries will continue with a targeted recovery of 70% in the near term. The average PGM basket price for the quarter at US\$685 per

ounce remained constrained by global macroeconomic conditions. The weaker US\$ price was, however, offset by the weakening of the ZAR against the US\$. The average PGM basket price of ZAR10 849 per ounce is an improvement of ZAR984 per ounce on the average price achieved in Q1 FY2016.

There was a marked decline in the average metallurgical grade chrome concentrate price achieved from an average of US\$124 per tonne in Q1 FY2016 to US\$81 for Q2 FY2016. The prices primarily were affected by the slowdown in the Chinese economy and uncertainty around growth and consumption of raw materials. We have noted an improvement in these prices as demand returns to sustainable levels with current transaction levels at approximately US\$100 per tonne.

The Voyager chrome processing circuit was modified to facilitate an increase in the production of higher value specialty grade chrome concentrates on the back of depressed metallurgical grade chrome concentrate prices. This flexibility has allowed chrome production to be distributed to more globally diversified markets. The circuit modification has resulted in improved chrome recoveries nearing the 65% target without impacting PGM recoveries.

The achievement of steady state production levels bodes well for Tharisa and reinforces the group's place as a globally competitive low cost PGM and chrome co-producer and further entrenches its position as an operationally cash generative business throughout the commodity cycle.

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

Paphos, Cyprus

7 April 2016

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Investec Bank Limited