

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)

Tharisa Minerals achieves record Q4 production, delivers on FY2016 targets and looks to an even better 2017

Tharisa reports an excellent Q4 production performance by achieving and, in some cases, exceeding production guidance for FY2016. Tharisa Minerals achieved record milling (1.27 Mt), PGM production (39.1 koz) and PGM recoveries (80.6%), demonstrating increased momentum at the end of the financial year. The open pit co-producer has also benefitted from improved commodity prices, particularly higher chrome prices, in Q4 FY2016.

Highlights for the financial year ended 30 September 2016

- Fatality free year with a Lost Time Injury Frequency Rate (LTIFR) of 0.36 per 200 000 man hours worked, safety remains a priority
- PGM production exceeds guidance at 132.6 koz (up 12.4%)
- Chrome concentrate production achieves guidance at 1.24 Mt (up 10.8%)
- Specialty chrome concentrate production more than doubles to 269.4 kt year on year (up 138.8%)
- Record annual ROM reef mined at 4.837 Mt with milling for the quarter at a new high of 1.267 Mt
- PGM prices stable, chrome prices rebound during the year to above US\$165/t

“Tharisa achieved its best ever production quarter and reached its targeted guidance for FY2016. This is a real testament to the teamwork, dedication and commitment that makes Tharisa a world class company. FY2017 is set to be the year that Tharisa reaches its full potential and delivers exceptional value to all stakeholders,” said Tharisa CEO Phoevos Pouroulis.

Safety

The safety of all of Tharisa’s employees is a priority for the Company. On 29 September 2016, Tharisa Minerals achieved the milestone of one fatality free year. There was only one Lost Time Injury in Q4 and the LTIFR for FY2016 was 0.36 per 200 000 man hours worked. In recognition of

these achievements, Tharisa Minerals was awarded the Best Safety Performance in Class award at Mine Safe 2016.

Production update

The production update for the quarter ended 30 September 2016 is as follows:

		Quarter ended 30 Sep 2016	Quarter ended 30 Jun 2016	Quarter ended 30 Sep 2015	Year ended 30 Sep 2015	Year ended 30 Sep 2016	Year on year movement %
Reef mined	kt	1 243.3	1 235.4	1 102.2	4 183.2	4 837.2	15.6
	m ³						
	waste/m ³						
Stripping ratio	reef	8.2	7.4	12.2	10.7	7.3	-
Reef milled	kt	1 267.2	1 192.2	1 096.7	4 400.4	4 656.3	5.8
PGM flotation feed	kt	937.9	929.6	853.4	3 446.2	3 575.6	3.8
tonnes							
PGM rougher feed	g/t	1.61	1.64	1.52	1.62	1.65	1.9
grade							
6E PGMs produced	koz	39.1	33.5	27.1	118.0	132.6	12.4
PGM recovery	%	80.6	68.5	65.1	65.8	69.9	6.2
Average PGM	US\$/oz	804	745	754	885	736	(16.8)
contained metal							
basket price							
Average PGM	ZAR/oz	11 289	11 162	9 801	10 593	10 881	2.7
contained metal							
basket price							
Cr ₂ O ₃ ROM grade	%	17.5	17.7	18.4	18.3	18.0	(1.6)
Chrome recovery	%	63.5	61.6	61.1	58.0	62.7	8.1
Chrome yield	%	26.2	25.8	26.9	25.5	26.7	4.7
Chrome							
concentrates							
produced	kt	332.2	307.1	295.2	1 122.2	1 243.7	10.8
Metallurgical	kt	250.1	225.6	252.6	1 009.4	974.3	(3.5)
grade							
Specialty grades	kt	82.1	81.5	42.6	112.8	269.4	138.8
Metallurgical grade	US\$/t CIF	157	105	159	158	120	(24.1)
chrome	China						
concentrate							
contract price							

		Quarter ended 30 Sep 2016	Quarter ended 30 Jun 2016	Quarter ended 30 Sep 2015	Year ended 30 Sep 2015	Year ended 30 Sep 2016	Year on year movement %
Metallurgical grade chrome concentrate contract price	ZAR/t CIF China	2 193	1 589	2 065	1 903	1 751	(8.0)
Average exchange rate	ZAR:US\$	14.1	15.0	13.0	12.0	14.8	-

Mining

Tharisa's mining operations performed particularly well in Q4 FY2016 with 1.243 Mt of reef mined in the quarter. The focus remains on grade control to improve the plant feed grades particularly for chrome. Reef mining met the required call rates and to ensure access to the correct reef horizons, the waste stripping has increased to align with the life of open pit average ratio of 8.9 on a m³ basis. With throughput into the plant exceeding nameplate capacity during the quarter, the current ROM stockpile ahead of the processing plants is 165 kt. Tharisa aims to maintain a 200 kt ROM stockpile ahead of processing to ensure optimal reef layer blending and feed grade consistency into the plants.

Tharisa mined 4.837 Mt of reef in FY2016, which is 15.6% higher than the reef mined in FY2015.

Processing

It was an exceptional quarter for Tharisa with tons milled reaching an all-time high of 1.267 Mt. Records were also achieved for PGM production at 39.1 koz and PGM recoveries of 80.6%, which is well above the target recovery of 70%.

Total chrome concentrate production was 332.2 kt, an 8.2% increase from Q3, at a recovery rate of 63.5%. Of that production, 82.1 kt was specialty grade material, which typically fetches a pricing premium to metallurgical grade products.

Tharisa's Voyager Plant chrome processing circuit was modified in H1 FY2016 to facilitate an increase in the production of higher value specialty grade chrome concentrates on the back of the then depressed metallurgical grade chrome concentrate prices. While metallurgical grade chrome prices have more than doubled since, this product diversification has enabled chrome production to be distributed to more globally diversified markets.

A total of 4.656 Mt of reef was milled in FY2016, representing a 5.8% increase year on year. PGM production was 12.4% higher at 132.6 koz at an average recovery rate of 69.9%. Chrome production at 1.244 Mt was up 10.8% despite marginally lower feed grades. Chrome recovery averaged 62.7% in FY2016. Optimisation initiatives planned should ensure that Tharisa achieves its targeted recovery of 65% for chrome concentrates.

Market update

The average PGM basket price for the three months ended September 2016 at US\$804 (ZAR11 289) an ounce showed a US\$59 an ounce improvement on the US\$745 (ZAR11 162) price achieved in the quarter ended June 2016.

Metallurgical grade chrome prices have risen approximately 50% over the quarter with an average contracted selling price of US\$157 per tonne CIF main ports China achieved during the quarter. This marked improvement on the US\$105 per tonne CIF contracted selling price concluded in the June 2016 quarter is attributed to the rebuilding of stockpiles by Chinese ferrochrome producers and is driven by stronger stainless steel demand growth in China resulting in increased demand for South African ore.

Contracts for delivery in November 2016 have been concluded at selling prices exceeding US\$200 per tonne CIF main ports China.

Outlook

Tharisa has provided FY2017 production guidance of 147.4 koz PGMs and 1.3 Mt chrome concentrates, of which 300 kt will be specialty grade chrome concentrates.

Tharisa continues to focus on improving the ROM feed grades and plant recoveries for both PGM and chrome concentrates.

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

Paphos, Cyprus

10 October 2016

Sponsor

Investec Bank Limited

An analyst call to discuss Tharisa's Q4 and FY2016 production results will be held today, Monday, 10 October 2016 at 09:00 BST and 10:00 South Africa time (UTC +2). Tharisa's CEO Phoevos Pouroulis, CFO Michael Jones and operational management team will be on the call to take you through our achievements and answer production and market related questions.

LIVE CALL ACCESS NUMBERS FOR PARTICIPANTS	
Country	Access Number
Other Countries - International	+27 11 535 3600
Other Countries - International	+27 10 201 6800
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