

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

('Tharisa' or the 'Company')

Fourth quarter and full year production report for the year ended 30 September 2019

Strong quarterly performance demonstrates ability to deliver on Vision 2020

Salient features for the quarter ended 30 September 2019

- Quarterly operational improvement with reef tonnes mined up 8.0% to 1 248.2 kt and tonnes milled up 6.9% to 1 291.2 kt
- Platinum Group Metals ('PGMs') recovery was 84.7% with production up 11.4% to 38.0 koz (Q3 2019: 34.1 koz)
- Chrome recovery at 61.0% (Q3 FY 2019: 65.5%) with production up 2.4% to 341.9 kt (Q3 334.0 kt)
- Third party chrome concentrate production at 69.4 kt, up 17.4% from Q3 2019
- Stripping ratio quarter on quarter has increased by 24.1% to 10.3 m³:m³ (Q3 2019: 8.3 m³:m³)
- Continued investment in fleet capacity and upgrades with second Caterpillar 6050 to be commissioned in Q1 of financial year 2020

Salient features for the year ended 30 September 2019

- Reef tonnes mined and milled at 4 627.1 kt and 4 836.0 kt respectively
- PGMs recovery at 82.1% with production of 139.7 koz
- Chrome recovery at 62.0% with chrome production at 1 290.0 kt
- Third party chrome concentrate production of 241.1 kt
- PGM price of US\$1 081/oz, an increase of 17.1% from 2018
- Chrome price received down 12.9% to US\$162/t
- Pit layout substantially complete with pit design optimisation now underway

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

“In the year under review Tharisa significantly reset its mining operations, with a revised pit layout, an improvement in waste stripping, and the debottlenecking of the production plants. Though this translated into lower production than last year’s record performance, the significant work done provides Tharisa with a clear path to delivering on our Vision 2020 strategy. The key remaining investment to achieve our production goal, the Vulcan plant, is under construction and remains firmly on track for commissioning in calendar Q4 2020. We have focussed our energy in the right places and have invested in both our workforce and machinery, which will ensure we have the right tools to achieve our targets. Extremely pleasing is our Zimbabwean development pipeline, especially with Karo Platinum completing phase one of the exploration programme with positive results apparent at this early stage.”

Safety

Safety is one of Tharisa's core values and the Company continues to strive for zero harm at its operations. An LTIFR of 0.27 per 200 000 man hours worked was recorded at the end of the quarter.

Production update

The production update for the quarter and year ended 30 September 2019 is as follows:

| | | Quarter ended 30 Sep 2019 | Quarter ended 30 Jun 2019 | Quarter on quarter movement % | Quarter ended 30 Sep 2018 | Year ended 30 Sep 2019 | Year ended 30 Sep 2018 |
|---|---------------------------------|---------------------------------|---------------------------------|--|---------------------------------|------------------------------|------------------------------|
| Reef mined | kt | 1 248.2 | 1 155.4 | 8.0 | 1 179.7 | 4 627.1 | 4 875.0 |
| Stripping ratio | m ³ : m ³ | 10.3 | 8.3 | 24.1 | 7.2 | 8.3 | 7.9 |
| Reef milled | kt | 1 291.2 | 1 207.3 | 6.9 | 1 216.7 | 4 836.0* | 5 105.3 |
| PGM flotation feed | kt | 965.2 | 889.1 | 8.6 | 892.8 | 3 605.9 | 3 718.1 |
| PGM rougher feed grade | g/t | 1.44 | 1.45 | (0.7) | 1.48 | 1.47 | 1.51 |
| PGM recovery | % | 84.7 | 82.1 | 3.2 | 84.1 | 82.1 | 84.1 |
| 6E PGMs produced | koz | 38.0 | 34.1 | 11.4 | 35.7 | 139.7 | 152.2 |
| Average PGM contained metal basket price | US\$/oz | 1 211 | 1 064 | 13.8 | 928 | 1 081 | 923 |
| Average PGM contained metal basket price | ZAR/oz | 17 792 | 15 297 | 16.3 | 13 067 | 15 531 | 12 038 |
| Cr ₂ O ₃ ROM grade | % | 18.3 | 17.8 | 2.8 | 18.3 | 18.1 | 18.2 |
| Chrome recovery | % | 61.0 | 65.5 | (6.9) | 64.5 | 62.0 | 66.0 |
| Chrome yield | % | 26.5 | 27.7 | (4.3) | 27.9 | 26.7 | 28.4 |
| Chrome concentrates produced (excluding third party) | kt | 341.9 | 334.0 | 2.4 | 339.2 | 1 290.0 | 1 448.0 |
| Metallurgical grade | kt | 252.4 | 259.4 | (2.7) | 240.3 | 977.9 | 1 080.3 |
| Specialty grades | kt | 89.5 | 74.6 | 20.0 | 98.9 | 312.1 | 367.7 |
| Third party chrome production | kt | 69.4 | 59.1 | 17.4 | 56.0 | 241.1 | 221.8 |
| Metallurgical grade chrome concentrate contract price | US\$/t CIF China | 148 | 174 | (14.9) | 164 | 162 | 186 |
| Metallurgical grade chrome concentrate contract price | ZAR/t CIF China | 2 203 | 2 525 | (12.8) | 2 313 | 2 525 | 2 415 |
| Average exchange rate | ZAR:US\$ | 14.7 | 14.4 | 2.1 | 14.1 | 14.4 | 13.1 |

* includes the processing of 99.0 kt of commissioning tails through the processing plants for the year ended 30 September 2019

Mining

Reef tonnes mined continued the trend of steady improvement at the Tharisa Mine with an increase of 8.0% as compared to the previous quarter, to 1 248.2 kt (Q3 2019: 1 155.4 kt), bringing total tonnes mined for the 2019 year to 4 627.1 kt, slightly down from the previous year's 4 875.0 kt. Reef tonnes milled saw an improvement of 6.9% for the quarter to 1 291.2 kt (Q3 2019: 1 207.3 kt) resulting in total reef milled of 4 836.0 kt (2018: 5 105.3 kt) for the year under review.

The revised pit layout has been largely completed and the previously mined in-pit material has been removed. The stripping ratio quarter on quarter has increased by 24.1% to 10.3 m³:m³ (Q3 2019: 8.3 m³:m³) resulting in an annualised stripping ratio of 8.3 m³:m³.

A second Caterpillar 6050 face shovel is scheduled to be operational before the end of December 2019, with various other capital items ordered or delivered, resulting in further improvements in the overall fleet age profile, capacity and efficiency.

Processing

PGM production increased by 11.4% to 38.0 koz (6E basis) (Q3 2019: 34.1 koz) compared to the previous quarter with recoveries increasing by 3.2% to 84.7% (Q3 2019: 82.1%). Annualised PGM recoveries were steady at 82.1% (2018: 84.1%). PGM grade for the quarter was maintained at 1.44 g/t (Q3 2019: 1.45 g/t) resulting in a rougher feed grade of 1.47 g/t for the year.

Chrome concentrate production quarter on quarter increased by 2.4% to 341.9 kt (Q3 2019: 334.0 kt) delivering overall production of 1 290.0 kt (2018: 1 448.0 kt) for the year. Chrome recoveries were down quarter on quarter at 61.0% (Q3 2019: 65.5%) with recoveries for the year at 62.0% (2018: 66.0%) as a result of instability in the average feed grade into the plant which is being rectified as the mine increases its run of mine stockpile ahead of the crushing circuit. Quarterly grade improved by 2.8% from 17.8% to 18.3%, giving an annualised CR₂O₃ ROM grade of 18.1% compared to 18.2% in the previous year. Of the total chrome concentrate produced for the quarter 252.2 kt was metallurgical grade, while specialty grade production increased by 20.0% to 89.5 kt.

The chrome production for the quarter from the K3 chrome plant was 69.3 kt (Q3 2019: 59.1 kt) with total K3 production for the year being 241.1 kt (2018: 221.8 kt).

Market update

The average PGM contained metal basket price for the quarter was US\$1 211/oz (ZAR17 792/oz), an increase of 13.8% in US\$ terms and 16.3% in ZAR terms, while year on year average PGM prices received were up by 17.1% to US\$ 1 081/oz (2018: US\$ 923/oz) and 29.0% up to ZAR 15 531/oz (2018: ZAR 12 038 /oz).

The average chrome price received for the quarter was down 14.9% at US\$148/t (Q3 2019: US\$174/t) with an annualised 12.9% decrease in price received to US\$162/t (2018: US\$186/t). Disappointingly, spot prices have thus far failed to rise above US\$160/t.

Outlook

Construction on the Vulcan Plant has commenced, with civil works due to be completed before Christmas. Orders for long lead items have been placed and the construction schedule is on track for cold commissioning in calendar year 2020.

Tharisa is on track to achieve its Vision 2020 targets of 2 Mt chrome concentrate and 200 koz of PGMs on an annualised basis by the end of calendar year 2020.

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

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

Paphos, Cyprus
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