

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 plc’ or the ‘Company’)

## **ACQUISITION OF BEE SHAREHOLDERS’ INTERESTS IN THARISA MINERALS PROPRIETARY LIMITED AND WITHDRAWAL OF CAUTIONARY**

### **1. INTRODUCTION AND RATIONALE**

The board is pleased to announce that the Company has concluded agreements with Tharisa Minerals Proprietary Limited’s (‘Tharisa Minerals’) BEE shareholders to acquire their 26% interest in Tharisa Minerals for a purchase consideration of ZAR390 million (USD25.6 million), to be settled through the issue of 13 903 743 new ordinary shares in the Company (‘the Transaction’).

Tharisa Minerals’ principal asset is the long-life open pit Tharisa Mine, which produces both platinum group metals (‘PGM’) and chrome in a mechanised, low cost and energy efficient environment, with product beneficiation taking place on site. The Company owns 74% of the issued ordinary shares of Tharisa Minerals, with the BEE shareholders Thari Resources Proprietary Limited (‘Thari Resources’) owning 20% and The Tharisa Community Trust (‘the Trust’) owning 6%.

The Transaction is supportive of and consistent with the fundamental principles and objectives enshrined within the Minerals and Petroleum Resources Act (2002) (‘MPRDA’), and the recent court ruling in South Africa clarifying the ‘once empowered always empowered’ position for mining companies. This ruling has afforded the Company the opportunity to constitute Tharisa Minerals as a wholly owned subsidiary that continues to meet the requirements of the MPRDA and the Mining Charter (2004), while allowing the BEE shareholders to benefit from the wider and diversified asset portfolio of the Tharisa plc group.

The Transaction terms, with the purchase consideration supported by a voluntary independent fairness opinion, account for the historical funding provided by the Company in its role as the investment holding company, with the BEE shareholders having a free funded carry, resulting in our BEE shareholders holding unencumbered shares in Tharisa Minerals and now Tharisa plc.

The simplification of the corporate structure ensures that our BEE shareholders participate in regular dividend flows consistent with the Company’s shareholders with a stated dividend policy of distributing at least 15% of consolidated net profit after tax, while benefiting from the Company’s growth strategy, broadening their exposure to beyond the Tharisa Mine. The broader exposure includes the Group’s integrated sales and logistics platform, research & development and beneficiation division and strategic interests in PGM and chrome projects in the Republic of Zimbabwe.

## **SALIENT TERMS OF THE TRANSACTION**

The parties entered into Sales of Shares Agreements on 15 February 2022, wherein the Company has:

- agreed to purchase Thari Resources' 20% ordinary shareholding in Tharisa Minerals for a purchase consideration of ZAR300 million (USD19.7 million), the purchase consideration being settled through the issue of 10 695 187 new ordinary shares in the Company, calculated by reference to the 30-day volume weighted average share price as traded on the Johannesburg Stock Exchange ('JSE') on 11 February 2022 of ZAR28.05 ('the Issue Price'), equating to approximately 3.7% of the pro forma voting share capital ('the Thari Resources Transaction'); and
- subject to the fulfilment of certain conditions precedent, agreed to purchase the Trust's 6% ordinary shareholding in Tharisa Minerals for a purchase consideration of ZAR90 million (USD5.9 million) with the purchase consideration being settled through the issue of 3 208 556 new ordinary shares in the Company issued at the Issue Price, equating to approximately 1.1% of the pro forma voting share capital ('the Trust Transaction').

The Sale of Shares Agreements are not inter-conditional.

The BEE shareholders held a free funded carry and, in determining the valuation of Tharisa Minerals, account was taken of the investment by the Company in redeemable preference shares issued by Tharisa Minerals with a capital value of USD270.7 million which are accounted for as a long-term liability of Tharisa Minerals.

The Thari Resources Transaction is unconditional and effective from 16 February 2022.

Thari Resources, a historically disadvantaged women's group, was the founding shareholder of Tharisa Minerals, which was incorporated in March 2006, and was instrumental in obtaining the mining rights which now comprise the Tharisa Mine. The Company acquired its 74% shareholding from Thari Resources in 2009. Thari Resources also facilitated the share participation by the Trust which was funded via a donation from the Company.

The Trust Transaction is effective on the date the conditions precedent are fulfilled.

The Trust was established for the benefit of the communities which reside in the vicinity of the Tharisa Mine and has agreed to hold its resultant holding in Tharisa plc whilst the Tharisa Mine operates to ensure that the communities continue to benefit not only from the Tharisa Mine but the broader Tharisa plc group.

The Transaction has been categorised as a category 2 transaction in terms of the JSE Listings Requirements.

## **2. CONDITIONS PRECEDENT**

The Trust Transaction is subject to the obtaining of certain statutory approvals specific to the Trust.

### 3. FINANCIAL INFORMATION

The following financial information has been extracted from the audited annual financial statements of Tharisa Minerals for the financial year ended 30 September 2021, which financial statements have been prepared in accordance with IFRS. The net assets of Tharisa Minerals at 30 September 2021 amounted to ZAR527.9 million (USD33.7 million) and the profit for the year ended 30 September 2021 amounted to ZAR2 210.2 million (USD149.0 million).

The elimination of the non-controlling interest, which is attributable to the BEE shareholders, will be earnings per shares accretive to Tharisa shareholders.

### 4. WITHDRAWAL OF CAUTIONARY

Shareholders are referred to the cautionary announcement issued by the Company in relation to the Transaction which was released on SENS on 14 February 2022 and are advised that shareholders are no longer required to exercise caution when dealing in the Company's shares.

Paphos, Cyprus  
16 February 2022

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### **About Tharisa plc**

Tharisa plc is an integrated resource group critical to the energy transition and decarbonisation of economies. It incorporates mining, processing, exploration, and the beneficiation, marketing, sales, and logistics of PGMs and chrome concentrates, using innovation and technology as enablers. Its principal asset is the Tharisa Mine located in the south-western limb of the Bushveld Complex, South Africa. The mechanised mine has a 20-year open-pit life and the ability to extend operations underground by at least an additional 40 years. Tharisa plc also owns Salene Chrome, a development stage, low-cost, open-pit asset, located adjacent to the Great Dyke in Zimbabwe. The Company is committed to reduce its carbon emissions by 30% by 2030 and the development of a roadmap is continuing to be net carbon neutral by 2050. Tharisa plc is listed on the Johannesburg Stock Exchange (JSE: THA) and the Main Board of the London Stock Exchange (LSE: THS).