

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')

PRODUCTION REPORT FOR THE SECOND QUARTER FY2021¹ ENDED 31 MARCH 2021

Resilient production performance feeding into a strong pricing environment keeps Tharisa on track to achieve full year guidance

Tharisa, the leading integrated platinum and chrome producer with operations in South Africa, announces a solid quarter of production for the period ended 31 March 2021 remaining on track to deliver on its annual production guidance.

Health & Safety

- Industry-leading safety record with an improved LTIFR of 0.06 per 200 000 man hours worked
- Currently no active COVID-19 cases
- South Africa is at alert level 1 – the lowest risk level – with economic activity mostly normalised, with protocols and health guidelines in place

Key Operating Highlights

		Quarter ended 31 March 2021	Quarter ended 31 Dec December 2020	Quarter on quarter movement %	Quarter ended 31 Mar March 2020	Year on year movement %
Reef mined	kt	1 233.2	1 234.3	(0.1)	1 131.1	9.0
6E PGMs produced	koz	35.8	39.3	(8.9)	32.1	11.5
Chrome concentrates produced (excluding third party)	kt	358.4	372.3	(3.7)	310.1	15.5

¹ Tharisa's financial year begins 1 October each year, and finishes on the following 30 September.

Average PGM contained metal basket price	US\$/oz	3 290	2 399	37.1	1 822	80.5
Average metallurgical grade chrome concentrate contract price	US\$/t	155	136	14.0	129	20.1

Metal Pricing

- Average PGM basket price for the quarter increased by 37.1% to US\$3 290/oz (ZAR49 273/oz) in Q2 FY2021 vs Q1 FY2021 and up 80.5% vs Q2 FY2020
- Following continued strength in PGM prices post-quarter end, current spot basket price for Tharisa’s prill split is US\$4 011/oz with spot prices for the major PGMs as follows:
 - Platinum US\$1 239
 - Palladium US\$2 630
 - Rhodium US\$27 823
- The PGM markets remains tightly balanced, with a bias towards supply deficits, particularly given production constraints at some of the larger producers. Demand for all PGMs remains globally robust
- Average metallurgical grade chrome price for Q2 FY2021 up 14% to US\$155/t (ZAR2 304/t), vs Q1 FY2021 of US\$136/t (ZAR2 114/t) and up 20.1% vs. Q2 FY2020 of US\$129/t (ZAR1 965/t). The current market price for metallurgical grade chrome is US\$155/t to US\$160/t
- Demand for chrome ore remains healthy and Tharisa, despite the logistical bottlenecks experienced in South Africa, has been able to deliver its products. Prices are expected to remain elevated, in part to compensate for the increase in freight costs

Operational Overview

- PGM production was up 11.5% year on year ('YoY') on a 6E basis to 35.8 koz vs 32.1 koz in Q2 FY2020 but 8.9% lower compared to Q1 FY2021
- Chrome concentrate production (excluding third party) was up 15.5% YoY to 358.4 kt vs 310.1 kt in Q2 FY2020 and marginally lower versus 372.3 kt in Q1 FY2021
- Specialty grade chrome production was up 11.8% YoY to 85.6 kt vs 76.5t k in Q2 FY2020 versus 93.8 kt in Q1 FY2021 (23.9% of total chrome production)
- Mining volume has been impacted by exceptionally high seasonal rainfall, with severe lightning storms impacting in-pit operation time
- PGM output was affected by a secondary mill motor failure impacting on recoveries
- Operations at the mill have been restored to full capacity

Cash Balance and Debt Position

- Tharisa had a cash balance of US\$73.1 million (Q1 FY2021 US\$49.8 million) at the end of the quarter and debt of US\$41.7 million (Q1 FY2021 US\$45.0 million) resulting in a positive net cash position of US\$31.4 million

Guidance for FY2021

- Guidance is maintained at 155 koz to 165 koz PGMs (6E basis) and 1.45 Mt to 1.55 Mt of chrome concentrates
- COVID-19 remains a risk to the Company and our forecasts and guidance are premised on the current level of economic activity being maintained.

Phoevos Pouroulis, CEO of Tharisa, commented:

“Tharisa’s second quarter performance saw an exceptional safety performance underpinned by solid production in what is traditionally our weakest quarter of the year. With the much higher commodity prices, Tharisa was able to convert production into cashflow, shown in our increased net cash balance, this while we are entering the major capital phase for the Vulcan plant which remains on track for construction to be completed this financial year. Despite the combined headwinds of extreme weather conditions as well as the ongoing impact of COVID-19 restrictions during the quarter, the continued optimisation of our operations resulted in consistent mining, underpinning our strategy of generating sustainable production from our long life assets. We enter the second half of the year on track to deliver on our production guidance for the current financial year, providing a solid platform for further medium-term growth”.

Paphos, Cyprus

13 April 2021

JSE Sponsor

Investec Bank Limited

Connect with us on [LinkedIn](#) and [Twitter](#) to get further news and updates about our business.

Investor relations contacts:

Ilja Graulich (Head of Investor Relations and Communications)

+27 11 996 3500

+27 83 604 0820

igraulich@tharisa.com

Financial PR contacts:

Bobby Morse / Augustine Chipungu / James Husband

+44 207 466 5000

tharisa@buchanan.uk.com

Broker contacts:

Peel Hunt LLP (UK Joint Broker)

Ross Allister / David McKeown / Alexander Allen

+44 207 7418 8900

BMO Capital Markets Limited (UK Joint Broker)

Thomas Rider / Pascal Lussier Duquette / Nick Macann

+44 207 236 1010

Berenberg (UK Joint Broker)

Matthew Armit / Jennifer Wyllie / Detlir Elezi

+44 203 207 7800

Nedbank Limited (acting through its Corporate and Investment Banking division) (RSA Broker)

Carlyle Whittaker

+27 11 294 0061

About Tharisa

Tharisa is an integrated resource group incorporating mining, processing, exploration and the beneficiation, marketing, sales and logistics of PGMs and chrome concentrates. Its principal asset is the Tharisa Mine located in the South-Western Limb of the Bushveld complex, South Africa. The mechanised mine has a 14-year open pit life of mine (LOM) and the ability to extend operations underground by at least an additional 40 years. Tharisa is listed on the Johannesburg Stock Exchange (JSE: THA) and the Main Market of the London Stock Exchange (LSE: THS).

Detailed Production Report

Safety

Safety is a core value, and Tharisa continues to strive for zero harm at its operations. An LTIFR of 0.06 per 200 000 man hours worked was recorded in the quarter which maintains our industry-leading safety record.

The Company has a continuous education campaign to prevent complacency around the COVID-19 pandemic. For full details on all the preventative measures Tharisa has implemented, please go to

<https://www.tharisa.com/pdf/covid-19/covid-19-presentation-of-compliance.pdf>

		Quarter ended 31 Mar 2021	Quarter ended 31 Dec 2020	Quarter on quarter movement %	Quarter ended 31 Mar 2020	Half year ended 31 Mar 2021
Reef mined	kt	1 233.2	1 234.3	(0.1)	1 131.1	2 467.5
Stripping ratio	m ³ : m ³	11.8	11.3	4.4	12.2	11.5
Reef milled	kt	1 345.2	1 413.7	(4.9)	1 166.9	2 758.9
PGM flotation feed	kt	1 023.9	1 080.3	(5.2)	872.4	2 104.2
PGM rougher feed grade	g/t	1.41	1.43	(1.4)	1.37	1.42
PGM recovery	%	77.1	78.9	(2.3)	83.7	78.1
6E PGMs produced	koz	35.8	39.3	(8.9)	32.1	75.1
Platinum produced	koz	19.8	21.5	(7.9)	17.4	41.3
Palladium produced	koz	5.4	6.8	(20.6)	5.8	12.2
Rhodium produced	koz	3.5	3.7	(5.4)	3.0	7.2
Average PGM contained metal basket price	US\$/oz	3 290	2 399	37.1	1 822	2 823
Platinum price	US\$/oz	1 164	946	23.0	937	1 063
Palladium price	US\$/oz	2 399	2 349	2.1	2 182	2 374
Rhodium price	US\$/oz	21 521	14 621	47.2	8 760	18 354
Average PGM contained metal basket price	ZAR/oz	49 273	37 410	31.7	27 690	43 051
Cr ₂ O ₃ ROM grade	%	18.0	17.7	1.7	18.2	17.8
Chrome recovery	%	62.4	62.8	(0.6)	61.8	62.6
Chrome yield	%	26.6	26.3	1.1	26.6	26.5

Chrome concentrates produced (excluding third party)	kt	358.4	372.3	(3.7)	310.1	730.7
Metallurgical grade	kt	272.8	278.5	(2.0)	233.6	551.3
Specialty grades	kt	85.6	93.8	(8.7)	76.5	179.4
Third party chrome production	kt	49.5	62.9	(21.3)	54.7	112.4
Metallurgical grade chrome concentrate contract price	US\$/t CIF China	155	136	14.0	129	145
Metallurgical grade chrome concentrate contract price	ZAR/t CIF China	2 304	2 114	9.0	1 965	2 203
Average exchange rate	ZAR:US\$	15.0	15.6	(3.8)	15.3	15.3

Market Update

Tharisa's unique exposure to the rhodium market given its favourable prill split has meant the basket price received not only benefitted from the rise in the platinum price and steady palladium price, but the demand driven push for rhodium during the quarter translated into a higher basket price of nearly 40% QoQ. While the debate remains around substitutability of platinum and palladium in the traditional auto catalyst market, the 'minor' PGM metals have performed well and substitutability for these metals, which is already experiencing a supply deficit, will not be easily attainable for some time, with the added push by the semi-conductor industry underpinning demand and thus higher prices. Furthermore, Tharisa continues to benefit from the weaker ZAR currency, which, while having staged a comeback, continues to provide additional leverage to the PGM prices.

Stainless steel production and demand, and hence chrome demand, were at higher levels in China. Power and emission controls curtailed production of ferrochrome most notably in Inner Mongolia. This resulted in a deficit of ferrochrome and a rally in the price. Consequently, chrome ore enjoyed a strong rally in price which tapered off slightly prior to the end of the quarter. Port inventories in China remained flat despite the lower ferrochrome production.

While Tharisa has not experienced the rail transport challenges some larger bulk movers have experienced, logistical bottlenecks remain and Tharisa has diverted additional chrome in-land logistics to road transport. Furthermore, freight rates have moved higher as global vessel availability remains well below those levels experienced prior to the outbreak of COVID-19 more than a year ago.

Operations Update

Mining

The second quarter of the year is seasonally the weakest for the Company, given the December break and inclement weather. The quarter under review saw unseasonably heavy rainfall affect the open pit operation, hampering the movement of machinery, while exceptional long lightning

storms meant pit availability was affected. Nevertheless, reef mined was in line with the previous quarter at 1 233.2 kt (vs 1 234.3 kt), and with the supplementation of stockpile material, saw mill throughput at 1 345.2 kt (vs 1 413.7 kt). Run of mine stockpile material, excluding UG1 material, stands at 160 kt. Waste stripping remains ahead of life of mine requirements.

Processing

With chrome recovery taking place ahead of PGM recoveries in the circuit at both plants, the lower chrome output was a direct result of the lower mill rate with recoveries and ROM grade and chrome yield either in line or improving on the previous quarter.

A mill motor failure at the one secondary mill in the PGM section of the Voyager plant, impacted recoveries and lead to lower output. The secondary mill circuit has been fully restored and PGM output should improve in the current quarter.

Construction of the Vulcan plant is progressing on plan and budget with the current quarter entering major building milestones.

Outlook

Tharisa maintains its FY2021 production guidance of between 155 koz to 165 koz PGMs (6E basis) and 1.45 Mt to 1.55 Mt of chrome concentrates. COVID-19 remains a risk to the Company and our forecasts and guidance are premised on the current level of economic activity being permitted by government regulations.

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