

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 THIRD QUARTER FY2021¹ ENDED 30 JUNE 2021

Highlights

- Achieved 5 million fatality free shifts
- Delivered record mining rates and tonnes processed
- Record quarterly chrome concentrate output and increased PGM production supported by stronger pricing
- Balance sheet strengthened with cash increasing to US\$80.5 million post US\$10.8 million interim dividend payment
- FY2021 guidance maintained

Key Operating Numbers

		Quarter ended 30 June 2021	Quarter ended 31 March 2021	Quarter on quarter movement %	Quarter ended 30 June 2020	Year on year movement %
Reef mined	kt	1 507.8	1 233.2	22.3	1 291.3	16.8
PGMs produced (6E)	koz	39.0	35.8	8.9	35.0	11.4
Chrome concentrates produced (excluding third party)	kt	379.7	358.4	5.9	321.4	18.1
Average PGM basket price	US\$/oz	3 804	3 290	15.6	1 593	138.8
Average metallurgical grade chrome concentrate contract price	US\$/t	160	155	3.2	143	11.9

¹ Tharisa's financial year is from 1 October 2020 to 30 September 2021

Phoevos Pouroulis, CEO of Tharisa, commented:

“Operationally, the third quarter was one of the strongest in the Company’s history, with record mining and processing rates, supported by strong PGM and chrome pricing. Combined with reaching 5 million fatality free shifts and another excellent LTFIR, Tharisa remains on track to deliver safe and sustainable returns for all of our stakeholders.

Revenues and margins continue to be healthy as the combination of our favourable PGM basket saw record prices, in addition to a steady increase in the pricing of our chrome concentrates. These price increases are a direct result of the increase in demand for our critical metals as economies focus on rebuilding post the global pandemic. Moreover, given the rapid adoption of decarbonisation initiatives, we see these prices being sustainable for the foreseeable future.

Despite the headwinds of South Africa being placed on Alert Level 4 in its fight against the COVID-19 pandemic, with its impact on our employees and stakeholders, our operational performance continues to benefit from the ongoing optimisation programmes, underpinned by the robustness and consistency of the Tharisa Mine with 14 years of open pit and 40 years underground mine life.

Our growth projects remain on track, with the construction of the proprietary Vulcan fine chrome recovery plant on schedule for commissioning by year end, adding an additional 20% chrome to our current production levels and these at very low operating costs. Our new development project in Zimbabwe, Salene Chrome, is progressing well and is planned to be in production start-up before the end of the calendar year.

The continued improvement in our mining, underpinned by the consistency of the Tharisa Mine, provides Tharisa with confidence in delivering on our guidance for the full year.”

Health & Safety

- Safety is a core value and Tharisa continues to strive for zero harm at its operations
- Achieved 5 million fatality free shifts on 1 June 2021
- Industry-leading safety record with a LTFIR of 0.12 per 200 000 man hours worked
- South Africa is at an adjusted Alert Level 4 as Wave 3 reaches peak
- Tharisa has recorded an increase in active COVID-19 cases from prior waves

Market Update

- Tharisa’s PGM basket price was 15.6% higher quarter on quarter (Q3 2021 vs Q2 2021) and remains above US\$3 000/oz at the time of writing, despite the recent decline in the rhodium price, highlighting the unique prill split benefits. The use of PGMs in the hydrogen economy has not been fully recognised as the market is focused on the premature decline of the internal combustion engine. PGMs play a vital role not only in emission control in traditional drive engines but a major role in hydrogen fuel cells, the greening of the economy and PGMs continue to be a critical component of the changing drive train make-up. We remain confident that the unique and

flexible PGM metal properties will have a robust outlook, being evident in the demand for the precious metals in a number of growing diversified industries, while PGM production increases across the industry remain limited, therefore supporting stronger long-term prices

- Higher chrome ore prices were achieved in the quarter despite subdued demand owing to a reduction of ferrochrome production in China, caused by electricity control measures. Stainless steel producers are operating at historic high levels, creating robust demand for ferrochrome, resulting in tightness of supply and consequently increasing the price of ferrochrome at the end of the quarter, which bodes well for the current and future chrome ore price. The Company was successful in meeting its delivery obligations, despite continued inland logistical challenges in South Africa and limited shipping availabilities. Sea borne logistics costs continued to trend upwards

Operational Update

- Record reef mined at 1.5 Mt, up 22.3% QoQ and 16.8% YoY
- Record tonnes processed at 1.4 Mt, up 5.0% QoQ and 15.8% YoY
- PGM production up 8.9% QoQ to 39.0 koz (up 11.4% YoY) as rougher feed grade improved by 7.8% to 1.52 g/t
- Record chrome concentrate tonnes produced at 379.7 kt, up 5.9% QoQ and 18.1% YoY
- Stripping ratio 10.9 m³: m³ ahead of LOM requirements
- PGM recoveries impacted by now resolved secondary mill motor issues
- Optimisation programmes remain on track, with Vulcan construction completion by end September 2021

Cash Balance and Debt Position

- Tharisa had a cash balance of US\$80.5 million (31 March 2021 US\$72.8 million) at the end of the quarter and debt of US\$38.7 million (31 March 2021 US\$43.0 million) resulting in a positive net cash position of US\$41.8 million (31 March 2021 US\$29.8 million). The Company paid out an interim dividend of US\$10.8 million on 30 June 2021

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 guidance is premised on the current level of economic activity being maintained

Paphos, Cyprus

9 July 2021

JSE Sponsor

Investec Bank Limited

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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 also owns the Salene Chrome project, a development stage, low cost, open pit asset, located in the Great Dyke in Zimbabwe. Tharisa is listed on the Johannesburg Stock Exchange (JSE: THA) and the Main Market of the London Stock Exchange (LSE: THS).

		Quarter ended 30 Jun 2021	Quarter ended 31 Mar 2021	Quarter on quarter movement %	Quarter ended 30 Jun 2020	Nine months ended 30 Jun 2021
Reef mined	kt	1 507.8	1 233.2	22.3	1 291.3	3 975.3
Stripping ratio	m ³ : m ³	10.9	11.8	(7.6)	12.0	11.3
Reef milled	kt	1 413.1	1 345.2	5.0	1 220.2	4 171.9
PGM flotation feed	kt	1 072.3	1 023.9	4.7	909.9	3 176.5
PGM rougher feed grade	g/t	1.52	1.41	7.8	1.52	1.46
PGM recovery	%	74.4	77.1	(3.5)	78.7	76.8
6E PGMs produced	koz	39.0	35.8	8.9	35.0	114.1
Platinum produced	koz	21.8	19.8	10.1	19.6	63.1
Palladium produced	koz	5.5	5.4	1.9	5.6	17.7
Rhodium produced	koz	3.9	3.5	11.4	3.4	11.1
Average PGM contained metal basket price	US\$/oz	3 804	3 290	15.6	1 593	3 159
Platinum price	US\$/oz	1 185	1 164	1.8	751	1 105
Palladium price	US\$/oz	2 794	2 399	16.5	1 975	2 588
Rhodium price	US\$/oz	24 232	21 521	12.6	7 401	19 999
Average PGM contained metal basket price	ZAR/oz	53 801	49 273	9.2	29 266	46 733
Cr ₂ O ₃ ROM grade	%	18.0	18.0	-	18.2	17.9
Chrome recovery	%	63.0	62.4	1.0	61.1	62.8
Chrome yield	%	26.9	26.6	1.1	26.3	26.6
Chrome concentrates produced (excluding third party)	kt	379.7	358.4	5.9	321.4	1 110.4
Metallurgical grade	kt	280.8	272.8	2.9	250.9	832.2
Specialty grades	kt	98.9	85.6	15.5	70.5	278.2
Third party chrome production	kt	59.0	49.5	19.2	-	170.6
Metallurgical grade chrome concentrate contract price	US\$/t CIF China	160	155	3.2	143	149
Metallurgical grade chrome concentrate contract price	ZAR/t CIF China	2 274	2 304	(1.3)	2 560	2 220
Average exchange rate	ZAR:US\$	14.1	15.0	(6.0)	18.0	14.9