

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

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('Tharisa' or the 'Company')

PRODUCTION REPORT FOR THE FIRST QUARTER FY2022¹ ENDED 31 DECEMBER 2021

Best quarter on record kicks off a transformative year

Tharisa, the platinum group metals (PGMs) and chrome co-producer listed on the Johannesburg and London stock exchanges, announces production results for the first quarter of FY2022.

First quarter highlights

- Lost Time Injury Frequency Rate ('LTIFR') of 0.47 per 200 000 man hours worked
- Quarterly production records set for processing volumes, PGM and chrome concentrate production
 - Tonnes milled at 1.43 Mt with a 10.1% increase in PGM rougher feed grade at 1.75 g/t and Cr₂O₃ ROM grade at 18.1%
 - PGM production of 47.7 koz, up 9.2% quarter on quarter ('QoQ'), at an average PGM basket price of US\$2 394/oz (ZAR36 897/oz)
 - Chrome production of 401.8 kt, up 1.5% QoQ, at an average metallurgical grade chrome price of US\$161/t (ZAR2 471/t)
- Vulcan Plant commissioning progressing well with hot tails feed from the Voyager Plant being processed, first production is expected in the second quarter as planned
- Cash balance of US\$79.1 million and a positive net cash position of US\$24.4 million

Guidance for FY2022 is maintained at 165 koz to 175 koz PGMs (6E basis) and 1.75 Mt to 1.85 Mt of chrome concentrates.

¹ Tharisa's financial year begins 01 October and ends on 30 September

Key operating numbers

		Quarter ended 31 Dec 2021	Quarter ended 30 Sep 2021	Q on Q movement %	Quarter ended 31 Dec 2020	Year ended 30 Sept 2021
Reef mined	kt	1 413.9	1 404.7	0.7	1 234.3	5 379.9
PGMs produced (6E)	koz	47.7	43.7	9.2	39.3	157.8
Chrome concentrates produced (excluding third party)	kt	401.8	395.7	1.5	372.3	1 506.1
Average PGM basket price	US\$/oz	2 394	2 854	(16.1)	2 399	3 074
Average metallurgical grade chrome concentrate contract price	US\$/t	161	167	(3.6)	136	154

Phoevos Pouroulis, CEO of Tharisa, commented:

“A great start to our new financial year, which will see the Company transform further with the developments at our flagship asset, namely the integration of the Vulcan fine chrome recovery circuit at the Tharisa Mine, enabling us to reach 2 Mt per annum of chrome production, reduce costs and carbon emissions per unit. Our diversification and growth plan sees our projects in Zimbabwe becoming fully integrated into the business within this financial year.

Our innovative and strategic initiatives continue to benefit the Tharisa Mine, with both PGM and chrome concentrate output up quarter on quarter, and we see this trend continuing, as we work further on improving our grade mix and upgrading our stockpile levels, not only in volume but in overall quality.

The commissioning of the Vulcan fine chrome recovery and beneficiation plant is nearly complete, with the Voyager Plant throughput being fed into Vulcan, thus ensuring we will start with commercial production from Vulcan in the second quarter as planned.

In Zimbabwe, mining on the high grade Salene Chrome operation is progressing well, with more than two months of stockpile ahead of our mobile plant, which is being commissioned.

On Karo Platinum, we eagerly await the final regulatory sign off from our partners, the Zimbabwean government, so that we can share the exciting plans we have made for the development of this world class resource and project.

A strong start to the year, and I want to thank the Tharisa team for their continued focus and delivery. We remain firmly on track to deliver, and hopefully exceed, our stated guidance of 165 koz to 175 koz PGMs and 1.75 Mt to 1.85 Mt of chrome concentrates in the current financial year.”

Health & Safety

- The health and safety of our stakeholders remains a core value and Tharisa continues to strive for zero harm at its operations
- LTIFR of 0.47 per 200 000 man hours worked

Market update

- The PGM spot markets were weaker than the past several quarters, but early indications are that the supply-demand balance is improving, with bottlenecks in the chip and motor industry abating, and stockpiles from some of the major producers being worked through the market. While COVID-19 seems to remain a short-term risk, global growth looks set to recover, with the increasing emissions standards underpinning prices. On the back of this, prices have risen in the early weeks of this calendar year, with the current spot basket price at around US\$2 700/oz, versus prices received for the quarter of US\$2 394/oz
- Chrome prices remained steady quarter on quarter but have seen an uptick to around US\$175/t at the end of the quarter owing to increased consumption of chrome concentrates in China, as power restrictions eased in many of the major industrial production hubs resulting in an increase in ferrochrome output supported by stainless steel demand. Coupled with this increased consumption was a significant destocking of port stocks, reducing from a quarter start of 4.0 Mt to around 2.7 Mt presently, a level not seen since Q1 CY2018. Tharisa continues to deliver chrome concentrates into the market notwithstanding logistical challenges, both inland and sea freight

Operational update

- Strong operational performance from mining through to processing, with several initiatives, such as the water management projects ensuring delivery during this rainy quarter
- Total reef mined steady at 1 413.9 kt (Q4 FY2021: 1 404.7 kt)
- Record tonnes milled at 1 432.1 kt (Q4 FY2021: 1 428.1 kt)
- Improvement in PGM rougher freed grade at 1.75 g/t (Q4 FY2021: 1.59 g/t)
- Chrome yield improving to 28.1% (Q4 FY2021: 27.7%), up 1.4% QoQ
- Output in both PGM and chrome concentrate reached record quarterly levels
 - PGM production of 47.7 koz, up 9.2% QoQ
 - Chrome output of 401.8 kt, up 1.5% QoQ
- PGM recoveries were slightly lower at 79.3% (vs 80.0% QoQ) due to the feeding of more oxidised material to improve the future stockpile mix ahead of the plant, which remains at 2-months ROM

Zimbabwe update

- Mining is progressing well at Salene Chrome with two months of ROM stockpile ahead of the plant, which is being commissioned
- Karo Platinum is awaiting final approvals from the government, which are anticipated during the current quarter

Cash balance and debt position

- Tharisa had a cash balance of US\$79.1 million (30 September 2021 US\$83.4 million) at the end of the quarter and debt of US\$54.7 million (30 September 2021 US\$35.5 million), the increased debt levels attributable to short term trade financing flows relating to the timing of chrome

concentrate shipments resulting in a positive net cash position of US\$24.4 million (30 September 2021 US\$47.9 million)

Guidance

- FY2022 production guidance of 165 koz to 175 koz PGMs (6E basis) and 1.75 Mt to 1.85 Mt of chrome concentrates is maintained. COVID-19 remains a risk to the Company, and guidance is premised on the current level of economic activity being maintained

		Quarter ended 31 Dec 2021	Quarter ended 30 Sep 2021	Quarter on quarter movement %	Quarter ended 31 Dec 2020	Year ended 30 Sept 2021
Reef mined	kt	1 413.9	1 404.7	0.7	1 234.3	5 379.9
Stripping ratio	m ³ : m ³	11.2	12.3	(8.9)	11.3	11.6
Reef milled	kt	1 432.1	1 428.1	0.3	1 413.7	5 600.0
PGM flotation feed	kt	1 069.3	1 071.6	(0.2)	1 080.3	4 248.2
PGM rougher feed grade	g/t	1.75	1.59	10.1	1.43	1.49
PGM recovery	%	79.3	80.0	(0.9)	78.9	77.6
6E PGMs produced	koz	47.7	43.7	9.2	39.3	157.8
Platinum produced	koz	26.5	23.6	12.3	21.5	86.7
Palladium produced	koz	7.5	7.2	4.2	6.8	24.9
Rhodium produced	koz	4.6	4.3	7.0	3.7	15.4
Average PGM contained metal basket price	US\$/oz	2 394	2 854	(16.1)	2 399	3 074
Platinum price	US\$/oz	997	1 016	(1.9)	946	1 080
Palladium price	US\$/oz	1 941	2 295	(15.4)	2 349	2 513
Rhodium price	US\$/oz	13 522	16 721	(19.1)	14 621	18 860
Average PGM contained metal basket price	ZAR/oz	36 897	41 727	(11.6)	37 410	45 336
Cr ₂ O ₃ ROM grade	%	18.1	17.9	1.1	17.7	17.9
Chrome recovery	%	65.6	65.0	0.9	62.8	63.3
Chrome yield	%	28.1	27.7	1.4	26.3	26.9

Chrome concentrates produced (excluding third party)	kt	401.8	395.7	1.5	372.3	1 506.1
Metallurgical grade	kt	305.3	309.3	(1.3)	278.5	1 141.5
Specialty grades	kt	96.5	86.4	11.7	93.8	364.6
Third party chrome production	kt	49.2	52.4	(6.1)	62.9	223.0
Metallurgical grade chrome concentrate contract price	US\$/t CIF China	161	167	(3.6)	136	154
Metallurgical grade chrome concentrate contract price	ZAR/t CIF China	2 471	2 435	1.5	2 114	2 284
Average exchange rate	ZAR:US\$	15.4	14.6	5.5	15.6	14.8

Paphos, Cyprus

13 January 2022

JSE Sponsor

Investec Bank Limited

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About Tharisa

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