

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 OF FY2023 ENDED 31 MARCH 2023

Tharisa, the platinum group metals (PGMs) and chrome co-producer dual-listed on the Johannesburg and London stock exchanges, announces its production results for Q2 FY2023¹ and cash balance as at the quarter end.

Quarter highlights

- Lost Time Injury Frequency Rate ('LTIFR') of 0.27 per 200 000-man hours worked
- Mining volume recovery slower than expected with continued adverse weather negatively impacting flexibility in open pit
- Contractor appointed on a short term basis to assist with waste mining (starting 1 May 2023)
- Processing capacity maintained utilising ROM ore stockpiles and strategic ROM ore purchases
 - Chrome output increased 5.7% to 404.8 kt (Q1 FY2023: 383.1 kt) with ROM grades up at 18.4%
 - PGM output lower at 34.3 koz (Q1 FY2023: 42.7 koz) on reduced recoveries due to sub-optimal ore mix
- Metallurgical grade chrome concentrate prices up 20.6% quarter on quarter, and 52.0% up on Q2 FY2022
- Karo Platinum Project on track and on budget with ground clearance and civil contractors having commenced work on site
- Successfully concluded a US\$130 million debt facility with Société Générale and Absa Bank Limited; undrawn
- US\$5 million additional subscription received in the Karo Mining Holdings Bond increasing total proceeds to US\$36.8 million
- Cash on hand US\$205.8 million (31 December 2022: US\$213.9 million), with a net cash position of US\$106.8 million (31 December 2022: US\$101.1 million)

¹ Tharisa's financial year is from 01 October to 30 September

Key Operating Numbers

		Quarter ended 31 Mar 2023	Quarter ended 31 Dec 2022	Quarter on quarter movement %	Quarter ended 31 Mar 2022	Half year ended 31 Mar 2023	Half year ended 31 Mar 2022
Reef mined	kt	1 028.0	1 081.5	(4.9)	1 419.7	2 109.5	2 833.6
6E PGMs produced	koz	34.3	42.7	(19.7)	44.1	77.0	91.8
Chrome concentrates produced (excluding third party)	kt	404.8	383.1	5.7	374.9	787.9	776.7
Average PGM contained metal basket price	US\$/oz	2 032	2 360	(13.9)	2 806	2 216	2 592
Metallurgical grade chrome concentrate contract price	US\$/t CIF China	269	223	20.6	177	247	175

Phoevos Pouroulis, CEO of Tharisa, commented:

“Tharisa continued to generate healthy free cash flow in the second quarter of our financial year despite the significant impact of severe weather conditions to our open pit mining operations. While chrome production was up, the ore mix saw PGM output in January and February fall below expectations for the quarter. With our operational improvement implemented during the quarter already delivering results, and the additional flexibility that both new equipment and the additional waste contractor will bring to the pit, the second half of our financial year will see an improvement at our flagship Tharisa mine.

Due to the challenges posed in December through to February specifically, management took the prudent step of lowering full-year guidance by 10%. The unique and unparalleled properties of our orebody, however, were once again shown to reap rewards as the chrome price reached levels as high as US\$300/tonne and, while the PGM prices have pulled back recently, even at these levels we continue to generate healthy margins.

Tharisa’s Vision 2025 strategy of reaching optimal and sustainable production from the Tharisa mine remains intact, and we will benefit from the significant progress being made at Karo, our second tier one mine – which remains on time and budget for first ore to the mill in H2 2024, as we continue to evolve into a multi-asset/multi-jurisdiction PGM producer.”

Health & Safety

- The health and safety of our stakeholders remains a core value to the Group and Tharisa continues to strive for zero harm at its operations
- LTIFR of 0.27 per 200 000-man hours worked

Market Update

- PGM prices came under pressure in the quarter as demand softened and destocking took some shine off the strong pricing seen in FY2022. Rhodium and palladium prices remain the most affected, with rhodium suffering from a small, tight, illiquid market influenced by a single seller. With commodity markets generally directionless in the quarter as macro events dominated fundamentals, and a slower than anticipated economic uplift post easing of COVID-19 restrictions in China, meant the PGM basket price was lower than most analysts had forecast. However, the outlook for the PGM basket remains

strong as tight supply and strong demand will ensure prices strengthen, with platinum the standout metal as the continued shift into a supply deficit becomes evident

- Chrome prices remained robust following on from a strong first quarter, with spot at around US\$285/t at the time of writing. Stockpiles in China continue to hover at historically low levels while demand for the product from South Africa remains strong, supply is hampered by loadshedding and inland logistics challenges affecting the industry. While we will see some short-term interruptions in China as some furnaces undergo maintenance, the long-term fundamentals for the metal remain firmly intact, in particular due to the supply concentration and the operational challenges some competing industry players have cited publicly, which will have an impact on the already tight supply-demand fundamentals

Operational Update

- Total reef mined of 1 028.0 kt (Q1 FY2023: 1 081.5 kt) as adverse weather impacted the in-pit flexibility affecting volume and reef mix
- Stripping ratio of 12.6 m³: m³ (Q1 FY2023: 10.6 m³: m³) improved as waste was moved in areas recovering from in pit flooding
- Total reef tonnes milled for the quarter at 1 370.0 kt (Q1 FY2023: 1 427.8 kt), supplemented by stockpiles and strategic ROM ore purchases
- Quarterly PGM production at 34.3 koz (Q1 FY2023: 42.7 koz)
 - Rougher feed grade of 1.66 g/t (Q1 FY2023: 1.66 g/t)
 - Recovery of 61.9% (Q1 FY2023: 71.7%) as oxidised UG ROM ore was also milled affecting PGM recovery
- Quarterly chrome production at 404.8 kt (Q1 FY2023: 383.1 kt)
 - Grade of 18.4% Cr₂O₃ (Q1 FY2023: 17.0%)
 - Recovery at 66.6% (Q1 FY2023: 65.7%) as yield from the Vulcan plant improved. Speciality chrome production was lower due to a planned spiral replacement programme

Karo Mining Holdings Update

- Extensive earthworks proceeding to plan
- Civils contracts for the pouring of the foundations for all plants and infrastructure at Karo have been awarded
- Contracts for high voltage power line (31 km EIA permission) and all main transformers awarded
- Ordering of long-lead items for the project continuing as per schedule
- Trial mining to commence
 - 30 kt of ore to provide further information on drilling, blasting, grade control and processing
- 150 employees and contractors on site in Zimbabwe, with majority of Zimbabwe management positions filled

Cash Balance and Debt Position

Tharisa had a cash balance of US\$205.8 million (31 December 2022: US\$213.9 million) at the end of the quarter, and debt of US\$99.0 million (31 December 2022: US\$112.8 million), resulting in a net cash position of US\$106.8 million (31 December 2022: US\$101.1million). These cash and debt numbers exclude the recently concluded US\$130 million facilities which are undrawn at the reporting period.

Guidance

Due to lower than expected production in Q2 FY2023 production guidance is reduced by 10% from the previous range of between 175 koz and 185 koz PGMs (6E basis) and 1.75 Mt to 1.85 Mt of chrome concentrates.

Production Numbers

		Quarter ended 31 Mar 2023	Quarter ended 31 Dec 2022	Quarter on quarter movement %	Quarter ended 31 Mar 2022	Half year ended 31 Mar 2023	Half year ended 31 Mar 2022
Reef mined	kt	1 028.0	1 081.5	(4.9)	1 419.7	2 109.5	2 833.6
Stripping ratio	m ³ : m ³	12.6	10.6	18.9	12.7	11.5	11.9
Reef milled	kt	1 370.0	1 427.4	(4.0)	1 362.2	2 797.4	2 794.3
PGM flotation feed	kt	1 039.6	1 115.3	(6.8)	1 045.7	2 154.9	2 115.0
PGM rougher feed grade	g/t	1.66	1.66	-	1.74	1.66	1.74
PGM recovery	%	61.9	71.7	(13.7)	75.4	67.0	77.4
6E PGMs produced	koz	34.3	42.7	(19.7)	44.1	77.0	91.8
Platinum produced	koz	19.7	23.2	(15.1)	24.3	42.9	50.8
Palladium produced	koz	6.1	7.5	(18.7)	7.4	13.6	14.9
Rhodium produced	koz	3.0	4.2	(28.6)	4.2	7.2	8.8
Average PGM contained metal basket price	US\$/oz	2 032	2 360	(13.9)	2 806	2 216	2 592
Platinum price	US\$/oz	1 004	967	3.8	1 026	976	1 011
Palladium price	US\$/oz	1 563	1 952	(19.9)	2 312	1 763	2 125
Rhodium price	US\$/oz	10 812	12 951	(16.5)	17 023	12 133	15 189
Average PGM contained metal basket price	ZAR/oz	35 801	41 682	(14.1)	42 784	39 094	39 721
Cr ₂ O ₃ ROM grade	%	18.4	17.0	8.2	17.1	17.7	17.6
Chrome recovery	%	66.6	65.7	1.4	67.8	66.2	66.7
Chrome yield	%	29.5	26.8	10.1	27.5	28.2	27.8
Chrome concentrates produced (excluding third party)	kt	404.8	383.1	5.7	374.9	787.9	776.7
Metallurgical grade	kt	365.3	347.2	5.2	295.0	712.5	600.3
Specialty grades	kt	39.5	35.9	10.0	79.9	75.4	176.4
Third party chrome production	kt	45.8	40.9	12.0	53.4	86.8	102.6
Metallurgical grade chrome concentrate contract price	US\$/t CIF China	269	223	20.6	177	247	175

Metallurgical grade chrome concentrate contract price	ZAR/t CIF China	4 827	3 932	22.8	2 700	4 387	2 670
Average exchange rate	ZAR:US\$	17.8	17.6	1.1	15.2	17.7	15.3

Paphos, Cyprus

13 April 2023

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 exploration, mining, processing and the beneficiation, marketing, sales, and logistics of PGMs and chrome concentrates, using innovation and technology as enablers. Its principal operating asset is the Tharisa Mine, located in the south-western limb of the Bushveld Complex, South Africa. The mechanised mine has an 18 year pit life and can extend operations underground by at least 40 years. Tharisa also owns Karo Mining

Holdings a low-cost, open-pit PGM asset under construction and located on the Great Dyke in Zimbabwe. The Company is committed to reducing 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).