

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 THIRD QUARTER ENDED 30 JUNE 2022¹

Tharisa, the platinum group metals (PGMs) and chrome co-producer dual-listed on the Johannesburg and London stock exchanges, announces production and cash balance numbers for Q3 FY2022.

Third Quarter Highlights

- Lost Time Injury Frequency Rate ('LTIFR') of 0.49 per 200 000-man hours worked
- Achieved 6 million fatality free shifts
- Strong mining and milling throughput leading to:
 - PGM production at 42.1 koz (Q2 FY2022 44.1 koz), at a normalised rougher feed grade of 1.65 g/t (Q2 FY2022 1.74 g/t) with steady recoveries at 75.6% (Q2 FY2022 75.4%)
 - Chrome production at 389.7 kt up from the previous quarter (Q2 FY2022 374.9 kt)
 - Vulcan Plant ramp up reflected in steady improvement in chrome recoveries – throughput recoveries of 80% expected to be reached by year end
- Strong commodity prices and steady production during the quarter delivering strong cash balance increases
 - PGM basket price of US\$2 677/oz (Q2 FY2022 US\$2 806/oz) down 4.6%
 - Metallurgical grade chrome price up 39.5% at US\$247/t (Q2 FY2022 US\$177/t)
 - Cash balance of US\$112.6 million and a positive net cash position of US\$48.0 million
- Successful registration of solar power project for 40-megawatt peak ('MWp') with environmental and development authority to further de-risk the operations from the dependence on the national power grid and reduce carbon emissions in line with our carbon reduction strategy
- Growth strategy remains firmly on track

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

Key Operating Numbers

		Quarter ended 30 June 2022	Quarter ended 31 March 2022	Quarter on quarter movement %	Quarter ended 30 June 2021	Nine months ended 30 June 2022	Nine months ended 30 June 2021
Reef mined	kt	1 357.1	1 419.7	(4.4)	1 507.8	4 190.7	3 975.3
6E PGMs produced	koz	42.1	44.1	(4.5)	39.0	133.9	114.1
Chrome concentrates produced (excluding third party)	kt	389.7	374.9	3.9	379.7	1 166.4	1 110.4
Average PGM contained metal basket price	US\$/oz	2 677	2 806	(4.6)	3 804	2 619	3 159
Metallurgical grade chrome concentrate contract price	US\$/t CIF China	247	177	39.5	160	201	149

Phoevos Pouroulis, CEO of Tharisa, commented:

“The team at Tharisa has completed a commendable quarter, maintaining strong production output which, supported by the favourable commodity markets, ensures a healthy balance sheet that will allow us to continue implementing our strategy.

The global macrotrends are challenging but Tharisa Mine’s life of more than sixty years gives us a strong foundation and the necessary financial resources to weather the headwinds of a tough economic climate, slowing growth, rising inflation, and weaker commodity markets.

As always, our focus remains on safety, operational excellence, and maintaining a low-cost profile. This quarter, our PGM and chrome output was strong once again, driven by the volume extracted from the Tharisa Mine open pit. Production from the Vulcan Plant is steadily increasing to nameplate capacity, proving that Tharisa’s proprietary technology is working well.

With our investment in almost 10 MW of standby power generation we have had negligible disruption to our operations due to the challenges at Eskom and the subsequent power curtailments.

Notwithstanding the rail and port infrastructure challenges, the logistics team have successfully exported our chrome products via various channels and modalities.

Beyond South Africa, our growth strategy remains on track with the detailed engineering design work, upfront infrastructure, and placement of long lead capital items for the Karo Platinum project continuing to progress in parallel with the finalisation of the financing options.

Overall, this has been a supportive quarter for our organic and development growth.”

Health & Safety

- The health and safety of our stakeholders remains a core value to the Company and Tharisa continues to strive for zero harm at its operations
- LTIFR of 0.49 per 200 000 man-hours worked
- Achieved 6 million fatality free shifts

Market Update

- The PGM market, while pricing overall lower compared to the beginning of the year, is holding up well supported by the continued tight supply-demand fundamentals of the various elements. Slowing economic growth will influence the demand side, however, slowdown in supply and no major new projects coming online within the next 24 months means any demand increase is expected to lead to price increases. Recycling continues to slow requiring shortfalls to be met from primary supply
- The quarter continued to be overshadowed by significant external factors including the war in Ukraine, concerns about inflationary cost pressures, supply chain constraints and zero Covid policy in China. Nonetheless, higher prices were achieved during the quarter for chrome against the backdrop of destocking of port inventory and robust ferrochrome & stainless-steel production in China. We expect a price retreat in the next quarter although implementation of various stimuli in China and / or supply disruptions would reduce the extent of such a threat

Operational Update

- Total reef mined of 1 357.1 kt (Q2 FY2022 1 419.7 kt)
- Stripping ratio of 14.2 m³: m³ (Q2 FY2022 12.7 m³: m³) ensuring flexibility is maintained and stockpile management optimised
- Tonnes milled maintained due to a strong mining performance while ROM stockpiles stand at two months, in line with the current mine schedule
- PGM output at 42.1 koz (Q2 FY2022 44.1 koz)
 - Normalised grade at 1.65 g/t (Q2 FY2022 1.74 g/t)
 - Recoveries at 75.6% (Q2 FY2022 75.4%)
- Chrome production of 389.7 kt up 3.9% from the previous quarter (Q2 FY2022 374.9 kt)
 - Cr₂O₃ grade at 17.0% (Q2 FY2022 17.1%)
 - Recoveries at 70.2% (Q2 FY2022 67.8%)
- Vulcan Plant technology proven to work well as overall chrome recoveries increase

Karo Platinum Update

- Key management positions are being filled
- Orders for long-lead items are being placed
- ESIA for concentrator and infrastructure has been submitted to the authorities
- Given inflationary pressures, the implementation team is reviewing the capex budgets
- Financing discussions continuing with multiple funding solutions being targeted
- National Project Status benefits being negotiated

Cash Balance and Debt Position

- Tharisa had a cash balance of US\$112.6 million (31 March 2022 US\$101.5 million) at the end of the quarter, and debt of US\$64.6 million (31 March 2022 US\$75.6 million) after an interim FY2022 dividend payment of US\$8.8 million. The increased cash has resulted in a positive net cash position of US\$48.0 million (31 March 2022 US\$25.9 million)

Guidance

FY2022 production guidance maintained at between 165 koz and 175 koz PGMs (6E basis). Guidance for chrome production is reduced by 10% to between 1.55 Mt and 1.65 Mt due to lower chrome feed grade and slower Vulcan Plant ramp-up

		Quarter ended 30 June 2022	Quarter ended 31 March 2022	Quarter on quarter movement %	Quarter ended 30 June 2021	Nine months ended 30 June 2022	Nine months ended 30 June 2021
Reef mined	kt	1 357.1	1 419.7	(4.4)	1 507.8	4 190.7	3 975.3
Stripping ratio	m ³ : m ³	14.2	12.7	11.8	10.9	12.6	11.3
Reef milled	kt	1 367.1	1 362.2	0.4	1 413.1	4 161.4	4 171.9
PGM flotation feed	kt	1 051.4	1 045.7	0.5	1 072.3	3 166.4	3 176.5
PGM rougher feed grade	g/t	1.65	1.74	(5.2)	1.52	1.71	1.46
PGM recovery	%	75.6	75.4	0.3	74.4	76.8	76.8
6E PGMs produced	koz	42.1	44.1	(4.5)	39.0	133.9	114.1
Platinum	koz	23.1	24.3	(4.9)	21.8	73.9	63.1
Palladium	koz	7.2	7.4	(2.7)	5.5	22.1	17.7
Rhodium	koz	4.0	4.2	(4.8)	3.9	12.8	11.1
Average PGM contained metal basket price	US\$/oz	2 677	2 806	(4.6)	3 804	2 619	3 159
Platinum	US\$/oz	958	1 026	(6.6)	1 185	994	1 105
Palladium	US\$/oz	2 100	2 312	(9.2)	2 794	2 117	2 588
Rhodium	US\$/oz	15 755	17 023	(7.4)	24 232	15 370	19 999
Average PGM contained metal basket price	ZAR/oz	41 531	42 784	(2.9)	53 801	40 299	46 733
Cr ₂ O ₃ ROM grade	%	17.0	17.1	(0.6)	18.0	17.4	17.9

Chrome recovery	%	70.2	67.8	3.5	63.0	67.8	62.8
Chrome yield	%	28.5	27.5	3.6	26.9	28.0	26.6
Chrome concentrates produced (excluding third party)	kt	389.7	374.9	3.9	379.7	1 166.4	1 110.4
Metallurgical grade	kt	307.0	295.0	4.1	280.8	907.3	832.2
Specialty grades	kt	82.7	79.9	3.5	98.9	259.1	278.2
Third party chrome production	kt	47.4	53.4	(11.2)	59.0	150.0	170.6
Metallurgical grade chrome concentrate contract price	US\$/t CIF China	247	177	39.5	160	201	149
Metallurgical grade chrome concentrate contract price	ZAR/t CIF China	3 900	2 700	44.4	2 274	3 112	2 220
Average exchange rate	ZAR:US\$	15.6	15.2	2.6	14.1	15.4	14.9

Paphos, Cyprus

12 July 2022

JSE Sponsor

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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 operating 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 Karo Mining Holdings and Salene Chrome, development stage, low-cost, open-pit PGM and chrome assets respectively, 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).