

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 FOURTH QUARTER AND YEAR ENDED 30 SEPTEMBER 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 Q4 and financial year ended 2022.

Quarter and year-end highlights

- Lost Time Injury Frequency Rate ('LTIFR') of 0.4 per 200 000-man hours worked
- Achieved seven fatality free years and six million fatality free shifts
- Continued focus on sustainable in pit mining led to consistent milling throughput resulting in:
 - Quarterly PGM production increasing to 45.3 koz (Q3 FY2022: 42.1 koz), at a rougher feed grade of 1.67 g/t (Q3 FY2022: 1.65 g/t) with recoveries at 76.2% (Q3 FY2022: 75.6%)
 - Annual PGM production up 13.6% at 179.2 koz (FY2021: 157.8 koz)
 - Quarterly chrome production increasing to 416.2 kt (Q3 FY2022: 389.7 kt) at a grade of 17.3% Cr₂O₃ (Q3 FY2022: 17.0%) and recovery at 69.6% (Q3 FY2022: 70.2%)
 - Annual chrome production up 5.1% at 1 582.7 kt (FY2021: 1 506.1 kt)
- Strategic commodity portfolio and robust pricing supporting the Company's capital allocation and growth ambitions:
 - Quarterly PGM basket price of US\$2 400/oz (Q3 FY2022: US\$2 677/oz) down 10.3%
 - Annual PGM basket price of US\$2 564/oz (FY2021: US\$3 074/oz) down 16.6%
 - Quarterly metallurgical grade chrome price of US\$226/t (Q3 FY2022: US\$247/t) down 8.5%
 - Annual metallurgical grade chrome price of US\$209/t (FY2021: US\$154/t), up 35.7%
- Cash balance of US\$143.4 million and positive net cash position of US\$78.6 million
- Karo Platinum project on schedule with 'ground-breaking' due December 2022
- Production guidance for FY2023 is set between 175 koz and 185 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 30 Sep 2022	Quarter ended 30 Jun 2022	Quarter on quarter movement %	Quarter ended 30 Sep 2021	Year ended 30 Sep 2022	Year ended 30 Sep 2021	Year on year movement %
Reef mined	kt	1 314.7	1 357.1	(3.1)	1 404.7	5 505.4	5 379.9	2.3
PGMs produced (6E)	koz	45.3	42.1	7.6	43.7	179.2	157.8	13.6
Chrome concentrates produced (excluding third party)	kt	416.2	389.7	6.8	395.7	1 582.7	1 506.1	5.1
Average PGM basket price	US\$/oz	2 400	2 677	(10.3)	2 854	2 564	3 074	(16.6)
Average metallurgical grade chrome concentrate contract price	US\$/t	226	247	(8.5)	167	209	154	35.7

Phoevos Pouroulis, CEO of Tharisa, commented:

“Operationally, this has been a rewarding year that will translate to a strong set of financial results, despite the macro challenges that have impacted global supply chains, inflation, and the mining sector. This operational performance is built on key decisions we made some years ago with the goal of accelerating our growth strategy and thus building a highly innovative, stronger, and more sustainable company.

Central to our success has been the continued efficiency at our flagship Tharisa Mine, where production increased across the board, with the Vulcan Plant contributing to increased production resulting in improved recoveries.

One of Tharisa’s core values is maintaining a strong health and safety record. This was again achieved during the year, delivering seven fatality free years and six million fatality free shifts. We continue to strive to be a zero-harm company.

On the corporate front, we have simplified our structure through fully aligning our long-term BEE partners as shareholders in the broader Tharisa business. We have advanced our position in Karo Platinum, which is on track to become the second world-class asset in our portfolio. The next major milestone is ‘ground-breaking’ at the Karo site in December 2022, as this PGM asset moves into the construction phase, with inaugural production planned for within the next 24 months. Tharisa remains firmly committed to its strategy of delivering sustainable growth and value to all its stakeholders despite the current volatility in the global markets.”

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 0.4 per 200 000-man hours worked
- Achieved seven fatality free years and six million fatality free shifts

Market Update

- Although PGM prices are trading in the lower half of their 12-month range, driven by the economic slowdown, prices have not retreated as much as anticipated. Demand-supply fundamentals, particularly for palladium and rhodium, which remain in deficit, with platinum projected to be in a deficit within the next 18 months, according to consensus market analysis. While supply from Russia is difficult to predict, primary supply from South Africa is slowing, driven by lack of development, rising costs and electricity curtailments, affecting deep level mines in particular. At the same time, the increasing importance of PGMs for the future of the hydrogen economy underpins our conviction that the fundamentals for these precious metals remains strong
- Chrome prices were volatile during the quarter where they retreated in line with expectation, mostly due to stainless steel and ferrochrome production curtailments in China. Consequently, port inventory rose slightly, albeit off a very low base. Inflationary cost pressures, supply chain constraints and the Covid policy in China remained key macro issues to the market. Towards the end of the quarter, increased demand stimulated a higher price environment as production of steel and alloy normalised. Policy announcements from the Party Congress on 16 October 2022 in China relating to the relaxation of Covid policies, and more stimulus packages being announced, would bode well for demand of Tharisa's chrome concentrates. We believe that supply disruptions will mitigate a price retreat, in the face of pricing risks and slowing economies heading towards a recessionary environment

Operational Update

- Total reef mined of 1 314.7 kt (Q3 FY2022: 1 357.1 kt) bringing the total reef mined for the year to 5 505.4 kt (FY2021: 5 379.9 kt)
- Stripping ratio of 13.3 m³: m³ (Q3 FY2022: 14.2 m³: m³) with the annualised stripping ratio at 12.8 m³: m³ (FY2021: 11.6 m³: m³), all ahead of Life of Mine requirements
- Total reef tonnes milled for the quarter a record at 1 446.8 kt (Q3 FY2022: 1 367.1 kt) and the year 5 608.2 kt (FY 2021: 5 600.0 kt)
- Quarterly PGM production at 45.3 koz (Q3 FY2022: 42.1 koz)
 - Rougher feed grade of 1.67 g/t (Q3 FY2022: 1.65 g/t)
 - Recovery of 76.2% (Q3 FY2022: 75.6%)
- Annual PGM production up 13.6% at 179.2 koz (FY2021: 157.8 koz)
 - Annual feed grade 1.70 g/t (FY2021: 1.49 g/t)
 - Annual recoveries of 76.6% (FY2021: 77.6%)
- Quarterly chrome production at 416.2 kt (Q3 FY2022: 389.7 kt)
 - Grade of 17.3% Cr₂O₃ (Q3 FY2022: 17.0%)
 - Recovery at 69.6% (Q3 FY2022: 70.2%)
- Annual chrome production up 5.1% at 1 582.7 kt (FY2021: 1 506.1 kt)
 - Grade of 17.4% Cr₂O₃ (FY2021: 17.9% Cr₂O₃)
 - Recovery at 68.3% (FY2021: 63.3%)
- Vulcan Plant running at full throughput capacity with continued optimisation of output to achieve planned chrome recoveries

Karo Platinum Update

- Ground-breaking planned December 2022
- Key management positions have been filled, including Project Director and Finance Director
- ESIA for concentrator and infrastructure approved
- Long lead items ordered to meet timelines
- Mining contractor selected

Cash Balance and Debt Position

- Tharisa had a cash balance of US\$143.4 million (30 June 2022 US\$112.6 million) at the end of the quarter, and debt of US\$64.8 million (30 June 2022 US\$64.6 million). The increased cash has resulted in an improved net cash position of US\$78.6 million (30 June 2022 US\$48.0 million). The Company's strong balance sheet enables the Group to execute its growth strategy.

Guidance

Production guidance for FY2023 is set between 175 koz and 185 koz PGMs (6E basis) and 1.75 Mt to 1.85 Mt of chrome concentrates.

Production Numbers

		Quarter ended 30 Sep 2022	Quarter ended 30 Jun 2022	Quarter on quarter movement %	Quarter ended 30 Sep 2021	Year ended 30 Sep 2022	Year ended 30 Sep 2021	Year on year movement %
Reef mined	kt	1 314.7	1 357.1	(3.1)	1 404.7	5 505.4	5 379.9	2.3
Stripping ratio	m ³ : m ³	13.3	14.2	(6.3)	12.3	12.8	11.6	10.3
Reef milled	kt	1 446.8	1 367.1	5.8	1 428.1	5 608.2	5 600.0	0.1
PGM flotation feed	kt	1 108.1	1 051.4	5.4	1 071.6	4 274.5	4 248.2	0.6
PGM rougher feed grade	g/t	1.67	1.65	1.2	1.59	1.70	1.49	14.1
PGM recovery	%	76.2	75.6	0.8	80.0	76.6	77.6	(1.3)
6E PGMs produced	koz	45.3	42.1	7.6	43.7	179.2	157.8	13.6
Platinum produced	koz	25.0	23.1	8.2	23.6	99.0	86.7	14.2
Palladium produced	koz	7.9	7.2	9.7	7.2	30.0	24.9	20.5
Rhodium produced	koz	4.4	4.0	10.0	4.3	17.2	15.4	11.7
Average PGM contained metal basket price	US\$/oz	2 400	2 677	(10.3)	2 854	2 564	3 074	(16.6)
Platinum price	US\$/oz	887	958	(7.4)	1 016	968	1 080	(10.4)
Palladium price	US\$/oz	2 077	2 100	(1.1)	2 295	2 107	2 513	(16.2)

Rhodium price	US\$/oz	13 746	15 755	(12.8)	16 721	14 962	18 860	(20.7)
Average PGM contained metal basket price	ZAR/oz	40 850	41 531	(1.6)	41 727	40 437	45 336	(10.8)
Cr ₂ O ₃ ROM grade	%	17.3	17.0	1.8	17.9	17.4	17.9	(2.8)
Chrome recovery	%	69.6	70.2	(0.9)	65.0	68.3	63.3	7.9
Chrome yield	%	28.8	28.5	1.1	27.7	28.2	26.9	4.8
Chrome concentrates produced (excluding third party)	kt	416.2	389.7	6.8	395.7	1 582.7	1 506.1	5.1
Metallurgical grade	kt	325.9	307.0	6.2	309.3	1 233.2	1 141.5	8.0
Specialty grades	kt	90.3	82.7	9.2	86.4	349.5	364.6	(4.1)
Third party chrome production	kt	38.2	47.4	(19.4)	52.4	188.2	223.0	(15.6)
Metallurgical grade chrome concentrate contract price	US\$/t CIF China	226	247	(8.5)	167	209	154	35.7
Metallurgical grade chrome concentrate contract price	ZAR/t CIF China	3 867	3 900	(0.8)	2 435	3 345	2 284	46.5
Average exchange rate	ZAR:US\$	17.0	15.6	9.0	14.6	15.8	14.8	6.8

Paphos, Cyprus

11 October 2022

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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).