



NEWS RELEASE

10 October 2017

Tharisa reports a strong end to another year of record production

JOHANNESBURG, 10 October 2017 – Tharisa, the PGM and chrome co-producer, today reported a record fourth quarter and its best production year.

Reef mined from Tharisa's shallow open pit on the Western Limb of the Bushveld Complex totalled a record 5.0 Mt in the year to end September 2017, a 3.9% increase on the previous year, as the mining team focused on continuous improvement in the drill, blast and reefing operations. The near term focus of the mining team is on operational improvement and in-pit optimisation following the transition to an owner mining model. Tharisa's transition to an owner mining model was effective as of 1 October 2017 when it concluded the purchase of the previous contractor's mining fleet and transferred approximately 900 employees.

Reef tonnes milled were up 5.6% at 4.9 Mt benefitting from the increased availability and feed consistency of the ROM ore stockpiled ahead of the plants. The increase in reef milled together with the improvement in PGM recoveries resulted in an 8.3% increase in PGM production at 143.6 koz (on a 6E basis). Record chrome production of 1.3 Mt was achieved, 323.1 kt of which was specialty grade concentrates.

"Through our continued focus on mining and processing improvements and optimisation we have delivered an excellent operational performance for FY2017," said Phoevos Pouroulis, CEO of Tharisa.

"Tharisa sees more potential in the year ahead and will be embarking on unlocking greater value through the successful transition to owner mining, primarily focusing on reducing dilution and improving feed grades from within the open-pit," added Pouroulis.

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Tharisa's FY2018 production guidance is 150 koz PGMs and 1.4 Mt chrome concentrates, of which approximately 350 kt will be specialty grade chrome concentrates.

"Our organic optimisation projects should yield additional recoveries, lowering our unit costs and enhancing our production going forward," said Pouroulis.

The average PGM contained metal basket price for the year was US\$786 an ounce, US\$50 an ounce higher than the US\$736 achieved in FY2016 and reflects, in particular, the increase in spot palladium prices, which surpassed the platinum price during the last quarter of the financial year.

Despite spot chrome price volatility, contracted metallurgical grade chrome concentrate prices increased 27% to average at US\$200 a tonne for FY2017.

The fundamentals of the global stainless steel market remain sound with continued growth forecast in 2018, supporting demand for chrome units in the form of ferrochrome and chrome ores. As at 29 September 2017, Chinese port stock levels were slightly above 2 Mt, or approximately two months' supply into the domestic Chinese ferrochrome and stainless steel industry.

Specialty chrome concentrates, which comprised 24.3% of Tharisa's total chrome concentrate production in FY2017 and which supplies the chemical and foundry markets, continue to attract a premium of more than US\$30 per tonne above the contracted metallurgical chrome concentrate prices.

Tharisa continues to focus on delivering operational improvements and, through additional investment in R&D and innovation, is set to unlock even greater value for all stakeholders.

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About Tharisa

Tharisa is a European headquartered integrated resource group. It is uniquely positioned incorporating mining, processing, beneficiation, marketing, sales and logistics. Tharisa is a low cost producer of PGM and chrome concentrates resulting in two distinct revenue streams from a single resource and costs being shared between the commodities. Approximately 25% of the group's chrome production is made

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up of specialty grade products comprising chemical and foundry grade chrome concentrate. Tharisa continues to explore beneficiation opportunities through innovation and technology.

The group owns and operates the Tharisa Mine which is located on the south-western limb of South Africa's Bushveld Complex. The Tharisa Mine has an estimated open pit life-of-mine of approximately 18 years, and a further estimated underground life of mine of approximately 40 years. The Tharisa Mine's processing facilities comprise the Genesis Plant and the Voyager Plant, both PGM and chrome concentrators capable of processing a total of 400 ktpm of ROM ore.

See <http://www.tharisa.com/> for more information.

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