

Tharisa plc

(Incorporated in the Republic of Cyprus with limited liability)

(Registration number HE223412)

JSE share code: THA

LSE share code: THS

ISIN: CY0103562118

('Tharisa')

Third quarter production report for the period ended 30 June 2018

Tharisa achieves important safety milestone and delivers another record quarter

Highlights for the three months ended 30 June 2018

- Tharisa Minerals achieves 2 million fatality free shifts from processing activities
- Record PGM recoveries at 85.6%, continue to exceed targeted recoveries of 80.0%
- Record PGM production of 39.5 koz, up 3.4% quarter on quarter
- Record chrome recoveries at 67.8%, exceeding targeted recovery of 65.0%
- Record total chrome concentrate production of 376.3 kt, up 2.6% quarter on quarter
- Record specialty grade chrome concentrate production at 95.2 kt, 25.3% of total chrome concentrate production
- Record production at the Lonmin K3 chrome plant of 59.6 kt, up 11.6% quarter on quarter
- Acquisition of interests providing low cost entry into highly prospective properties in Zimbabwe

Commenting on Q3 production, Tharisa CEO Phoevos Pouroulis, said:

“The ethos of safe production is a core value at Tharisa and we are extremely proud of our employees for embracing this value and continuing to focus on achieving a zero harm working environment.

Tharisa has illustrated maturity and depth by delivering another record quarter while embarking on its growth strategy through development and exploration programmes. We look forward to delivering on our production guidance for the full financial year and on our growth plans outlined in Vision 2020 in conjunction with the highly prospective projects in Zimbabwe.”

Safety

Safety remains a core value and Tharisa continues to strive for zero harm at its operations. An LTIFR of 0.15 per 200 000 man hours worked was recorded at the end of June 2018 and the following two safety milestones were achieved by the Tharisa Mine during the quarter:

- 1 million fatality free shifts on 26 March 2018 from mining operations
- 2 million fatality free shifts on 14 May 2018 from processing operations.

Production update

The production update for the quarter ended 30 June 2018 is as follows:

		Quarter ended 30 June 2018	Quarter ended 31 March 2018	Quarter on quarter move %	Quarter ended 30 June 2017	Nine months ended 30 June 2018	Nine months ended 30 June 2017
Reef mined	kt	1 244.1	1 206.0	3.2	1 275.2	3 695.3	3 724.3
Stripping ratio	m ³ : m ³	8.0	8.5	(5.9)	6.9	8.1	7.8
Reef milled	kt	1 291.2	1 287.2	0.3	1 199.1	3 888.6	3 616.8
PGM flotation feed	kt	929.7	936.0	(0.7)	866.0	2 825.3	2 648.9
PGM rougher feed grade	g/t	1.54	1.54	-	1.57	1.53	1.55
6E PGMs produced	koz	39.5	38.2	3.4	35.4	116.5	104.6
PGM recovery	%	85.6	82.2	4.1	81.3	84.0	79.3
Average PGM contained metal basket price	US\$/oz	947	953	(0.6)	792	922	771
Average PGM contained metal basket price	ZAR/oz	11 947	11 384	4.9	10 443	11 721	10 352
Cr ₂ O ₃ ROM grade	%	18.2	18.2	-	17.8	18.1	17.6
Chrome recovery	%	67.8	66.3	2.3	66.0	66.5	64.3
Chrome yield	%	29.1	28.5	2.1	27.8	28.5	26.8
Chrome	kt	376.3	366.7	2.6	333.9	1 108.8	970.7

concentrates								
produced								
Metallurgical	kt	281.1	281.2	-	246.8	840.0	731.1	
grade								
Specialty	kt	95.2	85.5	11.3	87.1	268.8	239.6	
grades								
Third-party	kt	59.6	53.4	11.6	-	165.8	-	
production								
Metallurgical	US\$/t	193	206	(6.3)	147	193	212	
grade chrome	CIF							
concentrate	China							
contract price								
Metallurgical	ZAR/t	2 477	2 444	1.4	1 892	2 449	2 844	
grade chrome	CIF							
concentrate	China							
contract price								
Average exchange	ZAR:US\$	12.6	12.0	5.0	13.2	12.7	13.5	
rate								

Mining

The owner mining operating model continues to progress well, as evidenced by the 3.2% improvement in the reef mined from the open pit. A total of 1 244.1 kt was mined in the three months to end June 2018, bringing the reef mined to 3 695.3 kt in the nine months to end June 2018.

The stripping ratio at 8.0 on a per cubic metre basis remains below the life of mine average of 9.6. While ensuring ongoing access to the reef horizons and maintaining the supply of ore to the processing plants, the stripping ratio is planned to increase to the life of mine stripping ratio. 2.9 Mm³ of waste was mined for the quarter, a 3.3% decrease compared to the previous quarter.

Improvements in the drill and blast operations maintained improved fragmentation of run of mine feedstock to the plants and feed grades remained steady with PGM rougher feed grades at 1.54 g/t and Cr₂O₃ ROM grades at 18.2%.

Tharisa is encouraged by the mining team's adoption of continuous improvement strategies and the subsequent results.

Processing

During the quarter 1 291.2 kt of ore was milled, resulting in record PGM production of 39.5 koz on a 6E basis and record total chrome concentrate production of 376.3 kt, of which 95.2 kt (25.3%) are specialty grade concentrates. PGM and chrome concentrate production increased by 3.4% and 2.6% respectively when compared to Q2. Both PGM and chrome recoveries exceeded target during the quarter with PGM recoveries at 85.6%, against a target of 80%, and chrome recoveries at 67.8%, against a target of 65%.

PGM production in the first nine months of FY2018 totalled 116.5 koz, with total chrome production at 1 108.8 kt, of which 268.8 kt (24.2%) was specialty grade chrome concentrates.

Third-party production at the Lonmin K3 chrome operation increased 11.6% to 59.6 kt during the quarter, bringing production from the Lonmin K3 chrome plant to 165.8 kt during the first nine months of FY2018.

Market update

The average PGM basket price for the three months ended June 2018 was US\$947 (ZAR11 947) per ounce, which is fractionally lower in US dollar terms but 4.9% higher in South African Rand terms due to a 5% weakening of the ZAR against the USD.

The average metallurgical grade chrome concentrate price was US\$193/t, 6.3% lower in US\$ terms however again offset by the weaker Rand. Spot prices have since returned to above the US\$200/t level. Strong stainless steel market fundamentals are expected to continue supporting metallurgical grade chrome concentrate demand.

Specialty chrome concentrates, which comprise circa 25% of Tharisa's total chrome concentrate production continue to attract a significant premium to metallurgical chrome concentrate prices.

Outlook

Tharisa is confident that it remains on track to achieve its FY2018 production guidance of 150 koz PGMs and 1.4 Mt of chrome concentrates, of which at least 350 kt will be specialty grade chrome

concentrates. The Vision 2020 projects will ensure that Tharisa delivers 200 kozpa of PGMs and 2 Mtpa of chrome concentrates by 2020.

The near term focus in South Africa will be on advancing the Vision 2020 projects. In Zimbabwe good progress is being made on regulatory approvals including National Project Status applications and Environmental Impact Assessment reports and approvals, following which the planned exploration programmes will commence.

The above information has not been reported on or reviewed by Tharisa's auditors.

Paphos, Cyprus

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JSE Sponsor

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