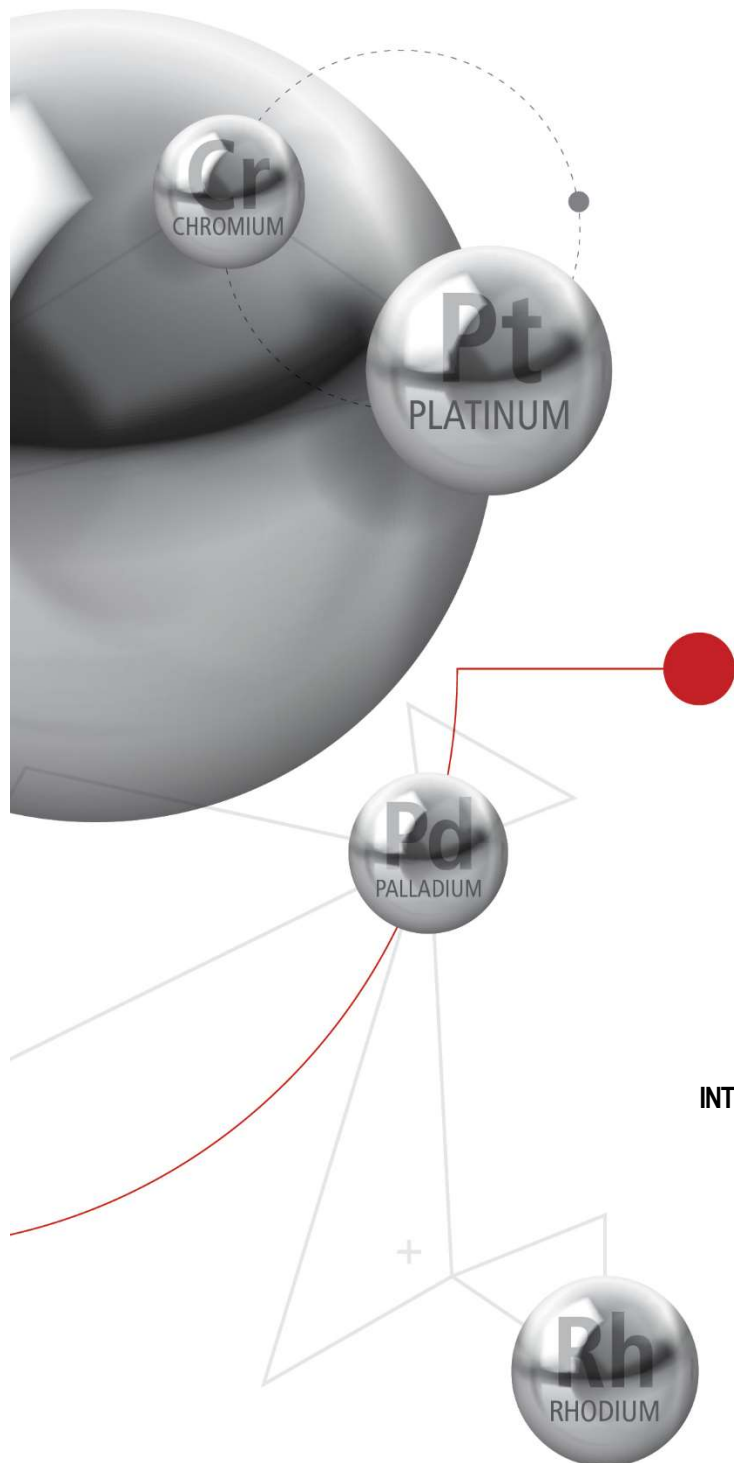


# tharisa



INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
31 MARCH 2022

enriching lives through innovating the resources company of the future

## INTERIM MANAGEMENT REPORT

for the period ended 31 March 2022

(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')

### MANAGEMENT REPORT FOR THE SIX MONTHS ENDED 31 MARCH 2022

Robust mining and efficient processing deliver into strong commodity markets further strengthening the balance sheet as the Company acquired control of a tier one PGM asset on the Great Dyke in pursuit of its growth and diversification strategy while maintaining capital discipline and providing continued dividend returns to shareholders.

#### Key Highlights

- Lost Time Injury Frequency Rate ('LTIFR') of 0.72 per 200 000 man-hours worked, 5.8m fatality free shifts as at end April
- Continued growth in PGM and chrome production:
  - PGM production of 91.8 koz, up 22.2% (2021: 75.1 koz) at an average PGM basket price of US\$2 592/oz (2021 US\$2 823/oz)
  - Chrome production of 776.7 kt, up 6.3% (2021: 730.7 kt), at an average metallurgical grade chrome price of US\$175/t (2021 US\$145/t)
- Continued ramp up of Vulcan fine chrome recovery plant production with plant commissioning
- Consistent production and positive commodity markets translated into strong financial results
  - Revenue of US\$334.0 million, up 6.5% (2021: US\$313.6 million)
  - EBITDA of US\$111.3 million (2021: US\$124.2 million)
  - Profit before tax of US\$124.3 million (2021: US\$104.6 million) EPS of US\$ 32.7 cents (2021: US\$ 21.4 cents)
  - Interim dividend proposed of US\$ 3 cents per share
  - Cash balance of US\$101.5 million and a positive net cash position of US\$26.9 million
- FY2022 production guidance maintained

#### Delivering on strategy

- Acquisition of remaining 26% shareholding in Tharisa Minerals for US\$ 25.6 m in a landmark BEE transaction through share exchange
- Acquired controlling interest in Karo Mining Holdings at a discount to the project NPV for a share settled purchase consideration of US\$29.5 million

#### Phoivos Pouroulis, CEO of Tharisa, commented:

*"The Tharisa team has delivered another cash generative performance based on our strong safety record, this in light of material increases in one of our major input costs being diesel. Our flagship Tharisa Mine increased its production in both PGMs and chrome, with significant progress delivered on our beneficiation strategy, which included the commissioning of chrome production from the self-funded Vulcan fine chrome recovery and beneficiation plant. During this period, Tharisa simplified its corporate ownership structure by aligning its key BEE partners with the Company's long-term value-creation strategy and took a step further with our geographic diversification, which saw the completion of the acquisition of a controlling interest in Karo Platinum, a tier-one asset on the Great Dyke in Zimbabwe.*

*Tharisa's cash generation ability has delivered a solid balance sheet for continuous investment. We have re-invested into the Company's targeted and strategic initiatives such as Karo Platinum and the Arxo Metals Beneficiation Site (AMBS) as well towards continued investment in the Tharisa Mine, and we will also, and equally important, return capital to our shareholders with another interim dividend proposed.*

*At Tharisa, we have long life assets of over 40 years, and it is our ethos to ensure we utilise and maximise these non-renewable resources to the fullest. As such, we have considerably advanced our R&D work at AMBS. We are confident that our pursuit of further downstream beneficiation and utilisation of our resources will translate to lower costs, downstream beneficiation and more value for shareholders. I have great confidence in the work done by the Arxo Metals team which developed and commercialised the technological processes in an industry leading fine chrome recovery process proven by the Vulcan Plant.*

*The focus for the remainder of the financial year will be to maximise PGM and chrome production, while curtailing as best as possible above inflationary costs. Financial close of a funding package for Karo Platinum is well underway and with a controlling interest in Karo Platinum in place now, we have a clear pathway to production within a 24-month timeframe.*

*These are volatile times and it goes without saying that having the best team to navigate the uncertainty is by far our greatest resource."*

## Safety

- The health and safety of our stakeholders remains a core value to the Company and Tharisa continues to strive for zero harm
- LTIFR of 0.72 per 200 000 man-hours worked at the Tharisa Mine
- 5.8m FFS as at end April
- No LTI's through the exploration phase of Karo Platinum

## The Key Numbers

	Unit	Six months ended 31 March 2022	Six months ended 31 March 2021	Change %
Reef mined	kt	2 833.6	2 467.5	14.8
Stripping ratio	m <sup>3</sup> waste: m <sup>3</sup> reef	11.9	11.5	3.5
Reef milled	kt	2 794.3	2 758.9	1.3
PGM flotation feed	kt	2 115.0	2 104.2	0.5
PGM rougher feed grade	g/t	1.74	1.42	22.5
PGM recovery	%	77.4	78.1	(0.9)
PGM ounces produced	5PGE+Au koz	91.8	75.1	22.2
Average PGM basket price	US\$/oz	2 592	2 823	(8.2)
Average PGM basket price	ZAR/oz	39 721	43 051	(7.7)
Cr <sub>2</sub> O <sub>3</sub> ROM grade	%	17.6	17.8	(1.1)
Chrome recovery	%	66.7	62.6	6.6
Chrome yield	%	27.8	26.5	4.9
Chrome concentrates produced (excluding third party)	kt	776.7	730.7	6.3
Metallurgical grade	kt	600.3	551.3	8.9
Specialty grades	kt	176.4	179.4	(1.7)
Third-party chrome production	kt	102.6	112.4	(8.7)
Chrome concentrates sold (including third-party)	kt	816.4	899.0	(9.2)
Metallurgical grade chrome concentrate contract price	US\$/t CIF China	175	145	20.7
Metallurgical grade chrome concentrate contract price	ZAR/t CIF China	2 670	2 203	21.2
Average exchange rate	US\$:ZAR	15.3	15.3	-
Group revenue	US\$ million	334.0	313.6	6.5
Gross profit	US\$ million	122.6	128.6	(4.7)
Net profit	US\$ million	113.4	75.7	49.8
EBITDA	US\$ million	111.3	124.2	(10.4)
Headline earnings	US\$ million	42.1	58.8	(28.4)
Headline earnings per share	US\$ cents	15.5	21.9	(29.2)
Earnings per share	US\$ cents	32.7	21.4	52.8
Interim dividend per share	US\$ cents	3.0	4.0	(25.0)
Gross profit margin	%	36.7	41.0	(10.5)
EBITDA margin	%	33.3	39.6	(15.9)
Net cash flows from operating activities	US\$ million	49.1	104.9	(53.2)
Net cash/debt	US\$ million	26.9	29.8	(9.7)
Capital expenditure	US\$ million	51.1	39.5	29.4

## Guidance for FY2022

- FY2022 production guidance remains between 165 koz and 175 koz PGMs (6E basis) and 1.75 Mt and 1.85 Mt of chrome concentrates

## Market Review

The PGM market was driven by two forces. The first is structural, with solid demand resulting in strong prices for all metals as the market absorbed inventory overhangs from the last 12 months due to the growing global pipeline for automobiles, computer chips and overall buoyant economic activity. The second force, unfortunately, was driven by geopolitical events including sanctions on Russia - a major PGM producing country, economic slowdowns and uncertainty over economic growth and inflationary pressures. Most major economic forecasts project slower global demand in the face of a global recession, balanced by lower output from the PGM industry. Supply deficits are forecast for rhodium and palladium. Platinum supply currently remains in surplus, yet this is forecast to swing into a deficit within the next 24 months. The impact of the supply disruptions and therefore pricing, especially on palladium, as a consequence of the economic sanctions on Russia are still to be felt in the markets. While current spot prices remain weaker than in 2021, driven by short-term inflationary pressures, increasing interest rates and concerns over economic activity slow down, the long-term price outlook remains positive.

Chrome prices continued to surge with logistical constraints impacting supply although severe COVID-19 lockdowns and slowing economic growth in China could weigh on prices in the near term. Logistics is an increasing impediment to the supply chain. Infrastructure, especially rail and ports, is severely constrained in South Africa and more focus is being placed on road transport and the use of multiple ports including through neighbouring countries as a means to mitigating risk and safeguard Group's export products. Similar problems exist in China. Freight rates factor into increased oil prices, congestion and waiting time at all ports. Despite the continued logistical challenges, Tharisa was able to deliver on its order book. Prices remain healthy. Headwinds include concerns in our major market for chrome being China and its outlook for economic growth but also supply disruptions ex Ukraine and Russia, possibly South Africa too. Although the current supply/demand is in balance at this stage, it can turn into a slight deficit.

## Operational Review

The Tharisa Mine is a long-life asset, with a minimum of 20 years remaining in the open pit and a possible underground extension of over 40 years. The mine runs optimally at high volumes with the processing plants relying on quality feedstock for optimal output. Tharisa continued to show strong volume output while maintaining its development rates in the open pit.

The strong operating performance saw run of mine (ROM) volume increase by 14.6% YoY to 2.83 Mt (2021: 2.47 Mt), while maintaining a stripping ratio of 11.9 m<sup>3</sup>:m<sup>3</sup> (2021: 11.5 m<sup>3</sup>:m<sup>3</sup>). The Tharisa Mine maintains a healthy stockpile of around two months of mined material ahead of the plant to mitigate mining risks.

With a focus on quality delivery of ROM and optimal reef blending, PGM production increased over 22% to 91.8 koz (2021: 75.1 koz) as the average rougher feed grade increased 22.5% to 1.74 g/t (2021 1.42 g/t).

Chrome output, while up YoY to 776.7 kt (2021 730.7 kt) is still to benefit from the production from the Vulcan Plant as the plant comes on-stream with chrome output being impacted by the Company's focus on rougher feed PGM grades which influenced chrome grade.

Specialty grade chrome concentrates (chemical and foundry) comprised 22.7% of total chrome concentrate production at 176.4 kt (2021: 179.4 kt).

Third-party chrome production was down 8.7% to 102.6 kt (2021: 112.4 kt).

## Sustainable investment underpins the future growth profile

### *Vulcan Plant*

The Vulcan fine chrome recovery plant is the first large scale plant to produce chrome concentrates from chrome ultra-fines. At the time of reporting, it had been commissioned and running at approximately 65% of output. The beneficiation plant will not only produce increased chrome output at a very low operating cost but will also ensure reduced waste to tailings and a reduced unit carbon output at the Tharisa Mine.

The recovery of product from tailings is an established environmentally positive industry practice. Tharisa's approach is to front-load the tailings deposition by recovering 'live' tailings before deposition. When fully commissioned later this year the Tharisa Mine's chrome recoveries will materially increase from ~65% to ~80, resulting in a lower deposition footprint while increasing chrome production by approximately 20%.

### *Tharisa Minerals*

The Company announced the acquisition of the minority shareholders' interests in Tharisa Minerals for a consideration of ZAR390 million settled through the issue of 13.9 million new shares. During the reporting period Thari Resources 20% shareholding was acquired. Post the reporting period, the last of the conditions precedent to the acquisition of the Tharisa Community Trusts 6% shareholding were fulfilled making Tharisa Minerals a wholly owned subsidiary.

### **Karo Mining Holdings**

On 30 March 2022, Tharisa acquired a controlling interest in Karo Mining Holdings Limited ('Karo Holdings') for a purchase consideration equal to US\$29.5 million to be settled through the issue of 13.69 million new Tharisa shares ('the Acquisition') to The Leto Settlement ('Leto'), a related party, thereby increasing its shareholding in Karo Holdings from 28.4% to 66.3%. Leto will retain the balance of 33.7%.

The Karo Platinum Project ('Karo Project') is a long-life asset with an initial 20-year life of mine ('LOM') and project post tax net present value ('NPV') of US\$770.4 million at spot PGM prices on date of the announcement. It has initial probable reserves of 35.5 Mt at 2.31 g/t and 2.6 Moz (5PGE+Au) and a 3PGE+Au resource prill split favouring platinum (45.0%), palladium (42.0%) rhodium (4.0%) and gold (9.0%), with material base metal credits.

Bernard Pryor was appointed as Managing Director of Karo Mining Holdings. He brings over 35 years' experience in the international mining industry.

The transaction is in line with Tharisa's growth strategy, including geographic diversification, operating low-cost open pit operations with access to premium new world metals. The Karo Project replicates the Tharisa Mine model in a different jurisdiction, and maximising value for Tharisa with a low-entry cost, a short development timeline and limited capital requirements while exercising full control over the development.

### **Financial Review**

Tharisa has delivered another strong financial performance notwithstanding a period of market volatility impacting commodity prices and input costs underscoring the importance of being positioned on the lower end of the cost curve as the Company continued to generate strong cash flows, which underpins the growth of the Company, both organically and externally.

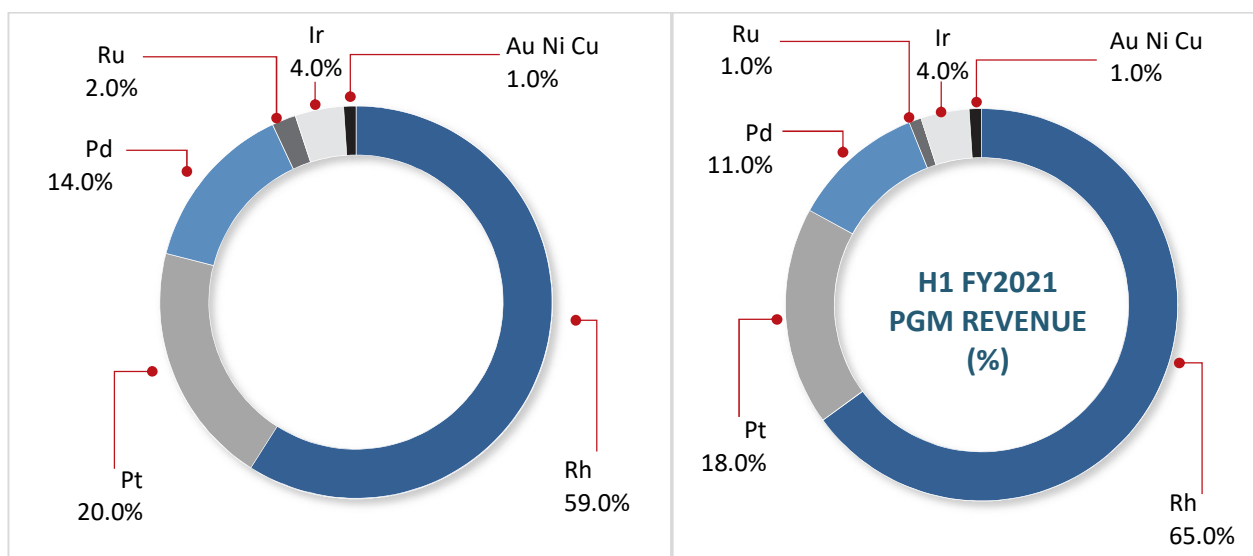
While production remains strong, external factors brought on by geopolitical conflicts, COVID-19 lockdown restrictions and the impact on fuel costs, global supply chain issues, resultant inflationary pressures and the fiscal authorities resolve to temper these through raising interest rates thereby reducing the outlook for economic growth in our markets requires a more cautious outlook as these impact the Group. However, with steady operational output and volume discipline, Tharisa is well positioned to deal with the cost pressures and withstand external shocks as we fully develop our six-pillar strategy.

The acquisition of a controlling interest in Karo Mining, which has been accounted for as a 'business combination', has had a significant impact on the financial results and position of the Group. Before delving into the financial results there is benefit in detailing the accounting implications of this acquisition. The initial investment of 28.38% was accounted for using the equity method and resulted in the derecognition of this asset while accounting for the attributable share of the loss of US\$5.2 million. The Republic of Zimbabwe has an option to acquire a further 11% shareholding in Karo Platinum based on the net present value at the time the option was entered into. This option was recognised at fair value as a financial liability prior to the Company acquiring a controlling interest and is reflected as 'another financial liability' of US\$17.9 million. Accounting for the acquisition of the further 37.96% - total shareholding thus 66.34% - resulted in there being a fair value gain on acquisition attributable to the equity accounted investment of US\$33.5 million in addition to the gain on acquisition as a result of the discount to the valuation of US\$15.1 million. The net effect of the transaction on earnings per share is a favourable US\$ 16.0 cents. The total net identifiable assets acquired on acquisition amounted to US\$148.4 million. The purchase consideration remained on the balance sheet at 31 March 2022 and is included in 'trade and other payables'.

Revenue for the period amounted to US\$334.0 million (2021: US\$313.6 million), an increase of 6.5% on increased PGM sales volumes up by 20.3% to 86.5 koz. Chrome concentrate sales decreased by 8.4% to 816.4 kt. The increase in revenue was supported by an increase in chrome concentrate selling prices with the average metallurgical grade selling price increasing by 20.7% to US\$175/t notwithstanding a decrease in the average PGM basket price by 8.2% to US\$2 592/oz.

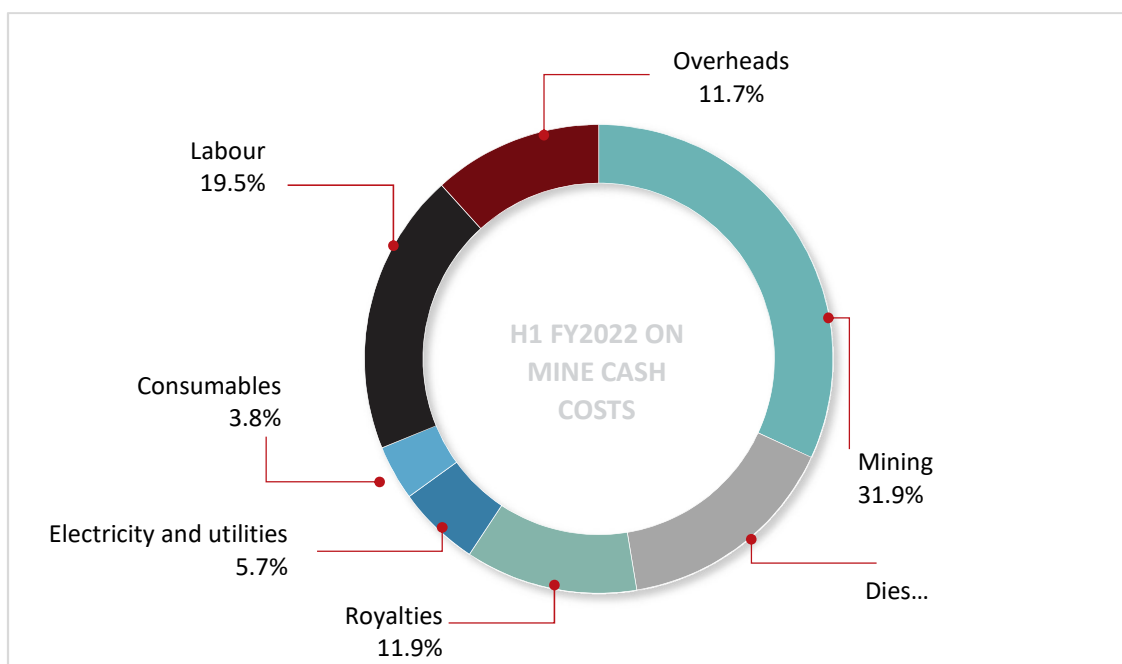
A breakdown of the PGM revenue, contributing US\$195.0 million, is depicted in the graph below. Rhodium maintained the dominant share of the revenue basket, comprising 59% of the PGM revenue while constituting 9.6% of the prill split, notwithstanding the rhodium price decreasing on average by 17.2% from US\$18 354/oz to US\$15 189/oz.

PGM revenue contribution



The chrome revenue comprises US\$97.2 million from the sale of metallurgical grade chrome concentrates and US\$22.9 million from the sale of specialty grade chrome concentrates (chemical and foundry), with the specialty grades typically commanding a premium of between US\$30/t and US\$50/t.

The major on-mine cash cost of sales (excluding selling expenses) are summarised in the graph below.



Cash costs (i.e., excluding non-cash flow items such as depreciation) on a per cube and per ROM tonne mined for mining costs and on a per tonne milled basis are detailed below. Costs relating to deferred stripping (which are capitalised) of US\$4.9 million (2021: US\$13.9 million) were excluded from the per tonne milled analysis

	Units	31 March 2022 Actual	31 March 2021 Actual	Variance %
Cubes mined	Mm <sup>3</sup>	10.3	8.8	+17.1
Cost per cube mined	US\$/m <sup>3</sup>	8.7	8.6	+1.2
Reef tonnes mined	Mt	2.8	2.5	+12.0
Cost per reef tonne mined	US\$	31.7	30.5	+3.9
Tonnes milled	Mt	2.8	2.8	-
On mine cash cost per tonne milled	US\$	47.8	41.0	+16.6
Consolidated cash cost per tonne milled	US\$	49.4	44.9	+10.0

The increase in on mine cash cost per tonne milled of 28.4% was due to lower increase in tonnes milled relative to the reef tonnes mined and increases in the costs of key production inputs including diesel costs which in South Africa increased by 49.4% per litre from ZAR12.50 (US\$0.8) per litre to ZAR18.67 (US\$1.2) per litre.

Average sea freight rates increased 102.2% during the period to US\$37.6/t (2021: US\$18.6/t). Average sea freight rates have been elevated due to shipping capacity constraints.

Gross profit amounted to US\$122.6 million (2021: US\$128.6 million) with a gross profit margin of 36.7% (2021 41.0%).

The basis of allocation of shared costs has been maintained at 80% for the PGM segment and 20% for the chrome segment.

Other operating expenses amounted to US\$24.8 million (2021: US\$21.6 million), an increase of 14.8%. The major cost within other operating expenses were employee costs at US\$13.8 million (including equity settled share-based payment expenses) (2021: US\$11.5 million) comprising 55.5% of the other operating expenses (2021: 53.3%).

EBITDA amounted to US\$111.3 million (2021: US\$124.2 million).

Finance costs of US\$2.3 million (2021: US\$2.8 million) relate primarily to the asset equipment finance and trade finance facilities utilisation.

The Group generated a profit before tax of US\$124.3 million (2021: US\$104.6 million) benefiting from US\$42.7 million in net fair value gains (principally relating to the accounting of the Karo Holdings acquisition as a business combination) (2021: US\$1.3 million net gains).

The tax charge amounted to US\$22.7 million (2021: US\$28.9 million), an effective charge of 18.2% (2021: 27.7% charge). A normalised tax rate should be circa 25%. Cash taxes paid amounted to US\$15.4 million.

The total comprehensive income for the period, as a consequence of foreign currency translation differences of US\$11.0 million (2021: US\$34.2 million), amounted to US\$112.6 million (2021: US\$109.8 million).

Basic earnings per share for the period amounted to US\$ 32.7 cents (2021: US\$ 21.4 cents).

Cash flows from operations before movements in working capital for the period amounted to US\$121.2 million. Working capital requirements including (i) an increase in trade and other receivables of US\$45.2 million, (ii) an increase in trade and other payables of US\$3.8 million, and (iii) an increase in inventories of US\$14.2 million, resulted in net cash flows from operating activities after tax of US\$49.1 million.

Additions to property, plant and equipment amounted to US\$51.1 million. Of this amount approximately US\$17.5 million related to additions to the mining fleet and US\$28.2 million related to other mining assets. Of the US\$28.2 million, US\$12.8 million related to expansion capital principally the Vulcan Plant construction.

After taking into account, inter alia, debt and interest repayments, there was a net increase in cash and cash equivalents for the period of US\$16.9 million.



Cash and cash equivalents at 31 March 2022 amounted to US\$101.5 million resulting in a net cash of US\$26.9 million.

The return on invested capital was 23.1% (2021: 35.1%).

### Dividend

The Board has proposed an interim dividend of US 3 cents per ordinary share, payable on 29 June 2022. Tharisa's annual dividend policy is to distribute a minimum of 15% of consolidated net profit after tax.

Shareholders on the principal Cyprus register will be paid in United States Dollar (USD), shareholders whose shares are held through Central Securities Depository Participants (CSDPs) and brokers and are traded on the JSE will be paid in South African Rand (ZAR) and holders of Depository Interests traded on the LSE will be paid in Sterling (GBP). The currency equivalents of the dividend, based on the weighted average of the South African Reserve Bank's daily rate at approximately 10:30 (UTC +2) on 24 May 2022, being the currency conversion date, are as follows:

	Exchange rate	Dividend per share in payment currency
South Africa – JSE	ZAR 15.76680/US\$	47.30040 South African cents per share
United Kingdom - LSE	GBP 0.79681/US\$	2.39044 pence per share

### The timetable for the dividend declaration is as follows:

Currency conversion date:	Tuesday, 24 May 2022
Declaration date and currency conversion dates announced:	Thursday, 26 May 2022
Last day to trade cum-dividend rights on the JSE:	Monday, 13 June 2022
Last day to trade cum-dividend rights on the LSE:	Wednesday, 15 June 2022
Shares will trade ex-dividend rights on the JSE:	Tuesday, 14 June 2022
Shares will trade ex-dividend rights on the LSE:	Thursday, 16 June 2022
Record date for payment on both JSE and LSE:	Friday, 17 June 2022
Dividend payment date:	Wednesday, 29 June 2022

No dematerialisation or rematerialisation of shares within Strate will be permitted between Tuesday, 14 June 2022 and Friday, 17 June 2022, both days inclusive. No transfers between registers will be permitted between Thursday, 26 May 2022 and Friday, 17 June 2022, both days inclusive.

### Tax implications of the dividend

Shareholders and Depository Interest holders should note that information provided should not be regarded as tax advice.

Shareholders are advised that the dividend declared will be paid out of income reserves and may therefore be subject to dividend withholding tax depending on the tax residency of the shareholder.

### South African tax residents

South African shareholders are advised that the dividend constitutes a foreign dividend. For individual South African tax resident shareholders, dividend withholding tax of 20% will be applied to the gross dividend of 47.30040 South African cents per share. Therefore, the net dividend of 37.84032 South African cents per share will be paid after 9.46008 South African cents in terms of dividend withholding tax has been applied. Shareholders who are South African tax resident companies are exempt from dividend tax and will receive the dividend of 47.30040 South African cents per share. This does not constitute legal or tax advice and is based on taxation law and practice in South Africa. Shareholders should consult their brokers, financial and/or tax advisors with regard to how they will be impacted by the payment of the dividend.

### UK tax residents

UK tax residents are advised that the dividend constitutes a foreign dividend and that they should consult their brokers, financial and/or tax advisors with regard to how they will be impacted by the payment of the dividend.



## Cyprus tax residents

Individual Cyprus tax residents are advised that the dividend constitutes a local dividend and that they should consult their brokers, financial and/or tax advisors with regard to how they will be impacted by the payment of the dividend.

## Additional information required by the JSE Listing Requirements

Tharisa has a total of 299 388 187 ordinary shares in issue on Thursday, 26 May 2022, of which 296 053 255 carry voting rights and are eligible to receive dividends.

## Definitions to non-IFRS financial information

EBITDA represents the sum of: results from operating activities, depreciation and impairments and write offs of property, plant and equipment as stated in the consolidated statement of cash flows and certain changes in fair value of financial assets and liabilities as stated in the consolidated statement of profit or loss.

Return on invested capital: calculated on a twelve month rolling basis being the net operating profit after tax divided by the average invested capital (comprising total assets less cash and non-interest bearing short term liabilities).

## Principal risks and uncertainties

The following tables summarise the material risks identified by management in consultation with stakeholders and with reference to the Group's business model and strategy.

Risk	Impact	Mitigation
<b>Safety</b>		
The safety and health of our people is our core value Operating in a safe manner is a key performance indicator for all executives and managers at Tharisa and its subsidiaries	Harm to people, the environment and assets Potential Section 54 and Section 55 instructions from the DMRE in terms of the South African Mine Health and Safety Act and the impact on production	Strive for zero harm working environment Implement a culture where safety risks will not be tolerated Comprehensive training on mandatory code of practices and standard operating procedures Continuous training and adherence to global best practices Transparent and open relationships with DMRE inspectorate and other regulatory bodies Key performance indicator in Group cash bonus scheme to incentivise safe behaviour Ensuring alignment and standardisation across all jurisdictions and operations
<b>COVID-19 pandemic</b>		
Keeping people safe is of paramount importance to Tharisa	Employees contracting COVID-19 Decrease in face-to-face safety interaction and reinforcement High absenteeism Loss of cohesive operating teams Remote access failure Logistics constraints Global economic slowdown Cybercrime targeting business operations The impact of the COVID-19 pandemic is not yet fully quantifiable as the pandemic is ongoing	Tharisa has put in place measures that at a minimum comply with government regulations and adhere to best practices. Rigorous screening and testing measures are in place. Succession planning is in place in the event of illness. Quarantine and health facilities have been established as well as a vaccination site where employees and contractors can receive COVID-19 vaccines A comprehensive communication strategy to employees and contractors is in place providing educational awareness to employees on the impact, prevention and treatment of COVID-19 The Company has taken these steps proactively but there are no guarantees that the measures put in place will ensure the Company and its operations will not be affected by the pandemic

Risk	Impact	Mitigation
<b>Political uncertainty</b>		
<p>South Africa – the burgeoning unemployment, increasing government debt and negligible GDP growth has led to a negative response to political certainty</p> <p>Negative business confidence</p> <p>Zimbabwe – limited international sanctions still exist and may affect the stability of the economy</p> <p>Hyper-inflation and monetary policy uncertainty</p> <p>Negative business confidence and political uncertainty</p> <p>Lack of currency liquidity</p> <p>Instability in Eastern Europe</p>	<p>Unattractive investment destination(s) for international investors</p> <p>Potential for further credit rating downgrades</p> <p>Political and civil unrest adversely impacting mine production</p> <p>Closing (temporary or permanent) of end user markets</p> <p>Imposition of sanctions on countries buying our products</p>	<p>The South African government has indicated commitment and intent in ensuring South Africa remains politically stable and that the economy advances</p> <p>Pledges by global concerns to invest in the country will serve to improve business confidence, unlock investment by local concerns and build GDP growth</p> <p>Continuous drive by the Government of Zimbabwe to create investor-friendly environment</p> <p>Establishment and awarding of Special Economic Zones in Zimbabwe to assist capital flows and investment</p> <p>Tharisa has a wide range of off takers who value the quality product Tharisa produces</p> <p>The Company continuously strives to create new markets for its products to ensure off take is not overly concentrated and thus has a negative effect on purchases</p>
<b>Regulatory compliance</b>		
<p>Tharisa Minerals' right to mine is dependent on strict adherence to various legal and legislative requirements</p> <p>Non-compliance with the MPRDA and/or Mining Charter and/or the Group's Social and Labour Plan.</p> <p>The Group is required to comply with a range of health and safety laws and regulations in connection with its mining, processing, manufacturing and logistics activities. Any perceived violation of the regulations could lead to a temporary shutdown of all or a portion of the Group's mining activities.</p> <p>Non-compliance with the Mines and Minerals Act of Zimbabwe and mining regulations promulgated under such Act</p>	<p>Cost of compliance to changes in the Mining Charter</p> <p>Non-compliance resulting in potential legal sanctions including fines, penalties and risks to the right to mine via a forfeiture or cancellation</p> <p>Access to forms of capital hindered</p>	<p>Ensure compliance with current MPRDA and applicable legislation</p> <p>Mining Charter provides some certainty</p> <p>Ensure compliance with the terms of the Mining Charter while making use of the phasing in period</p> <p>Ensure compliance with the Group's Social and Labour Plan</p> <p>Proactive engagement with regulatory authorities and industry organisations</p> <p>Ongoing communication and awareness with investors</p> <p>Ensure compliance with all relevant Zimbabwean legislation including the Mines and Minerals Act, Mining regulations promulgated under section 403 of the Mines and Minerals Act, the Labour Act, Exchange Control regulations and other laws and enactments governing investment</p> <p>Routine audits are carried out by regulatory/competent authorities in line with the relevant legislative prescripts to ensure compliance</p> <p>Regular internal inspections are conducted by the SHE department to ensure compliance with regulatory requirements.</p>
<b>Production/location concentration</b>		
<p>Tharisa currently owns and operates one primary producing asset, located in South Africa</p> <p>The Group has made early entry investments into Zimbabwean development projects; however, the Group is still exposed to the potential of political risk and instability within the country of its operation</p>	<p>Exposure to potential macroeconomic, social and socio-political risks and instability</p> <p>Sovereign rating downgrades of the country of operation can limit the Group's ability to raise financing and increase the cost thereof</p> <p>Exposure to only two main commodities</p>	<p>Third-party operations such as the operations of Sibanye Stillwater's K3 UG2 chrome plant provide additional revenue from an alternate operation</p> <p>Diversification into higher grade chrome products has opened new markets for Tharisa</p> <p>Development of the Karo Platinum and Salene Chrome projects in Zimbabwe will provide geographic diversification Considering opportunities to diversify commodities as they arise</p>
<b>Global commodity prices and currency volatility</b>		
<p>The Group's revenues, profitability and future rate of growth depend on the prices of PGMs and chrome</p> <p>The state of the world's economies impacts on demand and market prices for PGMs and chrome</p> <p>Volatility in the ZAR:US\$ exchange rate affects the Group's profitability of which South Africa's land reform uncertainty and effects of other emerging markets are contributing factors</p>	<p>Downward pressure on the prices of PGMs and/or chrome may negatively affect the Group's profitability and cash flows</p> <p>The Group's reporting currency is US dollar.</p> <p>The Group's dominant current operations are predominately based in South Africa, with a ZAR cost base, while the majority of the revenue stream is in US dollar, exposing the Group to the volatility and movement in the currencies</p> <p>Risk of competitor product dumping and undercutting market prices in respect of the chrome market.</p>	<p>Monitor costs closely to ensure that the Group remains in the lowest cost quartile</p> <p>Stringent cost control</p> <p>Improved operating efficiencies and production driving down unit costs</p> <p>Service providers appointed to manage the Group foreign exchange and PGM hedging strategy</p> <p>Production of higher value-add speciality grade chrome concentrates comprising ~25% of Group chrome concentrate production</p> <p>Diversification into higher priced chrome products through the development of the Salene Chrome operation</p>

Risk	Impact	Mitigation
<b>Financing and liquidity</b>		
<p>The activities of the Group expose it to a variety of financial risks including market, commodity prices, credit, foreign exchange and interest rate risks</p> <p>Static share price trading</p> <p>Non-compliance to ESG standards and requirements may affect capital raising abilities</p>	<p>Significant changes in the financial assumptions made by the Group could impact its ability to continue operating and jeopardise its ability to raise financing in the future</p> <p>Adverse impact on the ability to raise capital for growth and acquisitions</p>	<p>Positioned as a low-cost producer of both PGM and chrome concentrates</p> <p>Production of higher value-add speciality grade chrome concentrates</p> <p>Leveraging third-party operations</p> <p>Diversified customers and markets</p> <p>Undrawn banking facilities</p> <p>Trade finance facilities assist with working capital requirements</p> <p>Secondary listing on the LSE and an additional listing on A2X in South Africa provide additional trading platforms and increased liquidity</p> <p>Marketing and roadshow efforts have significantly enhanced the Group's profile and investor awareness and investor spread</p> <p>Compliance and audit of ESG standards</p> <p>Employment of relevant skills to manage ESG effectively</p>
<b>Market/customer concentration</b>		
<p>The bulk of Tharisa's chrome production is exported to China. This gives the Group significant exposure to a single geographic market</p> <p>Proposal by the South African government to impose a chrome tax</p>	<p>Customer base largely located in China, with accompanying exposure to Chinese markets</p>	<p>No reliance on a dominant customer within that market</p> <p>Tharisa has strategically diversified its production through the increase of speciality grade chrome concentrates, which make up approximately 25% of Tharisa's total chrome production</p> <p>Chemical and foundry grade chrome concentrates sold into diversified global markets</p> <p>Development project in Zimbabwe is focusing on higher-grade chrome products</p> <p>Diversified commodities with PGM concentrate sold to leading precious metal refiners on a long-term offtake basis</p> <p>Lobbying of government has thus far shelved the proposed chrome tax in South Africa</p>
<b>Environment</b>		
<p>Tharisa is obliged in terms of its undertaking to stakeholders, including the government, providers of capital and the community, to monitor, minimise and mitigate our impact on the physical environment and not to infringe on the rights to a safe and healthy environment. Non-compliance with this undertaking may infringe on the terms of the mining licence and the ability to continue mining</p>	<p>Harm to the environment</p> <p>Increased costs of remediation and rehabilitation due to legislative changes</p> <p>Potential legal sanctions including mine stoppage and class action suits</p> <p>Poor image of mining companies</p>	<p>Conduct all mining and processing operations in an environmentally responsible manner</p> <p>Compliance with applicable national and local laws and regulations</p> <p>Monitor compliance against EMPR, licenses and Equator Principles</p> <p>Compliance with provision for rehabilitation and mine closure</p> <p>Ongoing environmental impact monitoring, management and evaluation</p> <p>Ongoing internal and external compliance audits/ inspections</p> <p>Update/ amendment of licenses, permits and authorisations</p> <p>Community engagements through SLP and local forums</p> <p>Ongoing engagements with competent authorities to source advice on new or amended regulations</p>

Risk	Impact	Mitigation
<b>Climate change</b>		
<p>The Group is exposed to risks arising from climate change. The risks can be divided into physical risks, arising from the impact of climate change on operations, and reputational risk (arising from Tharisa being perceived as not contributing to addressing climate risk in a timely and meaningful way by providers of capital).</p>	<p>Rising temperature levels can affect the availability of natural elements that are required by the mine, such as access to water</p> <p>Rising temperatures can affect the physical wellbeing of the workforce</p> <p>The availability of capital will reflect how well companies are seeking to decarbonise their operations and supply chains</p> <p>Implement carbon taxes to encourage companies to improve their carbon footprints</p>	<p>Disclosure and reporting on annual CO<sub>2</sub> emissions</p> <p>Expand and implement a roadmap to reduce operational CO<sub>2</sub> emissions with a targeted reduction of 30% set by 2030 and a drive to become net carbon neutral by 2050</p> <p>Engaging with our supply chain on their commitment to decarbonisation</p> <p>Closer co-operation with suppliers and ensuring the latest technology is employed to reduce CO<sub>2</sub> emissions</p> <p>In South Africa</p> <p>Introduction and implementation of energy and water-efficient ways of product processing</p> <p>Construction of new water storage facilities to cater for projected water shortages</p> <p>Forming part of the water management forums in the catchment area</p> <p>Electricity generation from renewable sources wherever possible.</p> <p>Replacement of diesel fuel as an energy source within fleet at end of asset life</p>
<b>Local stakeholders</b>		
<p>Tharisa Minerals' neighbours are impacted by its operations in terms of dust, noise, water usage and security</p> <p>The perceptions of stakeholders, including different sections of the community and various levels of government, are varied and multi-layered</p> <p>Negative and inaccurate media coverage can influence perception</p>	<p>Local stakeholder discontent has the potential to disrupt operations</p> <p>Safety and health of the community</p> <p>Complaints to regulatory authorities and risk of intervention</p> <p>Potential for adverse litigation</p> <p>Poor image of mining companies</p> <p>Lack of support in equity markets and amongst stakeholders, ultimately leading to a cost of capital impact</p>	<p>Ongoing environmental impact monitoring</p> <p>Property purchase agreements being concluded with local landowners</p> <p>Partner with government and local municipality to develop identified land within the municipal spatial development area to which the community may be relocated</p> <p>Ongoing discussions with the DMRE and other government bodies</p> <p>Positive engagements with the local community with a focus on sustainable community projects</p> <p>Focus on recruiting from local communities as much as possible if there is a skills match</p> <p>Rolling our vaccination site to the greater community as per government regulations</p> <p>Regular and repetitive communication and emphasis on key messages utilising all available media channels</p> <p>Immediate corrective actions and corrections on factual inaccuracies or misconceptions</p>
<b>Access to resources and infrastructure</b>		
<p>Tharisa's mining, processing, manufacturing logistics and marketing operations rely on sustainable access to water, electricity as well as road, rail and port infrastructure</p>	<p>Production interruptions</p> <p>Failure to meet delivery and customer commitments and contracts</p>	<p>Two independent processing plants provide flexibility in times of electricity and water curtailments</p> <p>Multi-modal transport optionality via bulk or containers, road and/or rail</p> <p>Integrated agreement for rail transportation and port facilities concluded with Transnet</p> <p>Improved water supply through close collaboration with the custodian of the water resource. Agricultural water rights from Buffelspoort as a result of the additional properties that were purchased</p> <p>Mine water reticulation system and construction of new water storage facilities</p> <p>Salt and water balancing have improved water quality. Supply potable water from Samancor Mine (Randwater line)</p> <p>Drilling and licensing of new boreholes to ensure water supply volumes remain positive</p> <p>The increased depth of the mine pit is providing more ingress of water which is dewatered for surface use</p> <p>The deeper the open pits (current mining area) the more water ingress into the pit leading to more water being dewatered to the surface for use</p> <p>Open-pit diesel-powered mining fleet reduces reliance on electricity</p> <p>Generators installed at the processing plants to mitigate electrical supply curtailments</p>

Risk	Impact	Mitigation
<b>Labour</b>		
<p>The consistent, assured availability of appropriately skilled human resources at economical rates is essential to the sustainability of Tharisa's operations. Similarly important is the efficiency and discipline of the Group's workforce</p>	<p>Labour disruptions in South Africa remain a risk, particularly with the current political climate which may contribute to heightened labour and community unrest Potential damage to property Loss of production</p>	<p>Monthly liaison with shop stewards and regular contact with regional leadership Ongoing training programmes Adequate insurance cover in the event of damage to property arising from unrest All levels of employees are incentivised through bonus and incentive schemes leading to improved productivity and employee retention Tharisa has completed half a year of a four year wage agreement without disruptions, providing certainty for both parties Care for employees during COVID-19 with additional safety and health measures put in place while Tharisa managed through waves 1,2,3&amp;4 without any retrenchments of workforce</p>
<b>Management of resources and reserves</b>		
<p>Management and planning of the extraction of the multiple MG layers of the reef is critical to the business model</p> <p>Tharisa's success depends on it extracting the maximum value per tonne of the reef while avoiding pit dilution and undue sterilisation of the resource</p>	<p>Sub-optimal quantity and quality of reef results in poor processing plant recoveries, which impacts production and financial performance Sterilisation of resources reduces the life of mine and inhibits mining flexibility Loss of production as a result of low ROM stockpiles ahead of the plants</p>	<p>Owner mining model enables in-house management and control of all mining activities, with a focus on correct mining practices with optimal quality and quantity of ROM Investment in the latest technology and machinery for optimal mining practices In-house mining skills Accuracy and execution of mine plan Mining employees managed on KPIs</p>
<b>Unscheduled breakdowns</b>		
<p>The Group's performance is reliant on the consistent mining and production of PGM and chrome concentrates from the Tharisa Mine</p>	<p>Any unscheduled breakdown leading to a prolonged reduction in mining and/or production may have a material impact on the Group's financial performance and results of operations Loss of production as a result of low ROM stockpiles ahead of the plants</p>	<p>Optimisation of the existing mining fleet Developed engineering and geological skills that are integral to the in-house mining Preventative maintenance programme for the fleet and plant Long lead item spares in stock Ensure adequate ROM stockpiles (target 2 months) while supplementing times of low ROM with purchases of ROM from third parties</p>
<b>Cyber security</b>		
<p>The Group performance may be materially and adversely impacted by a cyber-attack on its IT system</p>	<p>The processing plants at the mine are controlled by a supervisory control and data acquisition operating system and a cyber-attack could potentially subject the Group to a ransomware demand and/or cause a shutdown of the processing operations until a backup system is operational, or a work-around solution is obtained</p>	<p>The Group has carried out an audit of its potential exposure to a cyber-attack in respect of all its IT and has implemented mitigating measures which limit its exposure to internal and third-party access The Group has implemented and continuously ensures globally accepted best-in-class software and protocols to filter malicious and criminal content, as well as the latest antivirus and security programmes Insurance against cyber-attack including backup and restoration assistance Internal backups and scheduled backup tests for integrity and continuity</p>

## Conclusion

Tharisa has set out a six-pillar growth strategy against which we measure our performance, while ensuring that the market is fully informed of our strategy and capital commitments.

Underpinning this is our application of innovation and technology as we continue to play a critical role in the energy transition through the metals, we mine. Our commitment to improving the lives of those we employ and the communities within which we work, combined with the returns we deliver for all our stakeholders, can only be achieved with sustainability at the core of Tharisa's strategy.

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The directors of Tharisa plc ('the Company' or 'the Group') are responsible for the maintenance of adequate accounting records and the preparation of the interim condensed consolidated financial statements and related information in a manner that fairly presents the state of affairs of the Company. These interim condensed consolidated financial statements are prepared in accordance and containing the information required by IAS 34 Interim Financial Reporting, the Listings Requirements of the JSE Limited and Financial Pronouncements as issued by the Financial Reporting Standards Council and incorporate full disclosure in line with the accounting policies of the Group, which are supported by prudent judgement.

The directors are also responsible for the maintenance of effective systems of internal control, which are based on established organisational structures and procedures. These systems are designed to provide reasonable assurance as to the reliability of the financial statements, and to prevent and detect material misstatement and loss.

The preparation of these condensed results was supervised by the Chief Finance Officer, Michael Jones, a Chartered Accountant (SA).

The interim condensed consolidated financial statements have been prepared on a going concern basis, as the directors believe that the Company and Group will continue to be in operation in the foreseeable future. The interim consolidated financial statements have been approved by the Board on 24 May 2022.



**Phoevos Pouroulis**  
Chief Executive Officer



**Michael Jones**  
Chief Finance Officer

Cyprus  
24 May 2022



## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

### **TO THE SHAREHOLDERS OF THARISA PLC**

#### **Introduction**

We have reviewed the interim condensed consolidated financial statements of Tharisa plc ('the Company'), and its subsidiaries (collectively referred to as 'the Group') on pages 16 to 53 contained in the accompanying interim report, which comprises the interim condensed consolidated statement of financial position as at 31 March 2022 and the interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended and selected explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

#### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements do not present fairly, in all material respects, the financial position of the entity as at 31 March 2022 and of its financial performance and its cash flows for the six-month period then ended in accordance with International Accounting Standard 34 *Interim Financial Reporting*.



**Stavros Pantzaris**  
Certified Public Accountant and Registered Auditor

For and behalf of

**Ernst & Young Cyprus Limited**  
Certified Public Accountant and Registered Auditor

Nicosia

24 May 2022



## INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the period ended 31 March 2022

	Notes	Period ended 31 March 2022 Reviewed US\$'000	Period ended 31 March 2021 Reviewed US\$'000	Year ended 30 Sept 2021 Audited US\$'000
Revenue	6	334 029	313 626	596 345
Cost of sales	7	(211 401)	(185 034)	(388 926)
Gross profit		122 628	128 592	207 419
Other income		394	369	764
Net foreign exchange (loss)/gain		(8 848)	(2 913)	15 477
Other operating expenses	8	(24 800)	(21 596)	(44 822)
Results from operating activities		89 374	104 452	178 838
Finance income		460	560	1 391
Finance costs		(2 323)	(2 755)	(4 893)
Changes in fair value of financial assets at fair value through profit or loss	22	(4 814)	1 655	10 540
Changes in fair value of financial liabilities at fair value through profit or loss	22	(1 769)	811	(370)
Gain on acquisition of subsidiary	21	48 597	-	-
Share of loss of investment accounted for using the equity method	12	(5 229)	(131)	(251)
Profit before tax		124 296	104 592	185 255
Tax	9	(22 670)	(28 929)	(53 714)
<b>Profit for the period/year</b>		<b>101 626</b>	<b>75 663</b>	<b>131 541</b>
<b>Other comprehensive income</b>				
<i>Items that may be classified subsequently to profit or loss:</i>				
Foreign currency translation differences for foreign operations, net of tax		10 978	34 186	20 450
Other comprehensive income/(loss), net of tax		10 978	34 186	20 450
<b>Total comprehensive income for the period/year</b>		<b>112 604</b>	<b>109 849</b>	<b>151 991</b>
Profit for the period/year attributable to:				
Owners of the company		88 897	57 439	100 469
Non-controlling interest		12 729	18 224	31 072
		101 626	75 663	131 541
Total comprehensive income for the period/year attributable to:				
Owners of the company		98 644	80 226	113 471
Non-controlling interest		13 960	29 623	38 520
		112 604	109 849	151 991
Earnings per share				
Basic earnings per share (US\$ cents)	10	32.7	21.4	37.4
Diluted earnings per share (US\$ cents)	10	32.1	21.2	37.3

The notes on pages 22 to 53 are an integral part of these interim condensed consolidated financial statements.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

as at 31 March 2022

	Notes	31 March 2022 Reviewed US\$'000	31 March 2021 Reviewed US\$'000	30 September 2021 Audited US\$'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	11	625 831	343 316	380 461
Intangible assets		2 978	3 003	2 942
Investment accounted for using the equity method	12	-	10 284	10 274
Financial and other assets	13	7 271	10 388	15 854
Deferred tax assets		1 533	1 494	1 177
<b>Total non-current assets</b>		<b>637 613</b>	<b>368 485</b>	<b>410 708</b>
<b>Current assets</b>				
Inventories	14	73 861	43 505	58 269
Trade and other receivables	15	183 702	155 064	136 554
Contract assets		1 578	1 523	2 440
Financial and other assets	13	512	300	3 041
Current taxation		3 849	558	8 949
Cash and cash equivalents	16	101 462	72 778	83 436
<b>Total current assets</b>		<b>364 964</b>	<b>273 728</b>	<b>292 689</b>
<b>Total assets</b>		<b>1 002 577</b>	<b>642 213</b>	<b>703 397</b>
<b>Equity and liabilities</b>				
Share capital and premium	17	310 258	287 453	289 818
Other reserve		47 245	47 245	47 245
Foreign currency translation reserve		(82 101)	(82 063)	(91 848)
Retained earnings		266 076	170 288	199 217
Equity attributable to owners of the Company		541 478	422 923	444 432
Non-controlling interests	17	75 377	(1 280)	6 842
<b>Total equity</b>		<b>616 855</b>	<b>421 643</b>	<b>451 274</b>
<b>Non-current liabilities</b>				
Provisions		20 359	17 390	19 931
Borrowings	18	24 311	18 029	20 590
Other financial liabilities	19	17 879	-	-
Deferred tax liabilities		124 077	73 984	87 565
<b>Total non-current liabilities</b>		<b>186 626</b>	<b>109 403</b>	<b>128 086</b>
<b>Current liabilities</b>				
Borrowings	18	50 231	24 996	16 260
Other financial liabilities	19	1 591	5 989	485
Current taxation		540	347	286
Trade and other payables	20	145 156	78 312	104 566
Contract liabilities		1 578	1 523	2 440
<b>Total current liabilities</b>		<b>199 096</b>	<b>111 167</b>	<b>124 037</b>
<b>Total liabilities</b>		<b>385 722</b>	<b>220 570</b>	<b>252 123</b>
<b>Total equity and liabilities</b>		<b>1 002 577</b>	<b>642 213</b>	<b>703 397</b>

The interim condensed consolidated financial statements were authorised for issue by the Board of Directors on 24 May 2022.



**Phoevos Pouroulis**  
Director



**Michael Jones**  
Director

The notes on pages 22 to 53 are an integral part of these interim condensed consolidated financial statements.

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period ended 31 March 2022

	Notes	Attributable to owners of the Company						Non-controlling interest US\$'000	Total equity US\$'000
		Share capital US\$'000	Share premium US\$'000	Other reserve US\$'000	Foreign currency translation reserve US\$'000	Retained earnings US\$'000	Total US\$'000		
<b>Balance at 1 October 2021 (Audited)</b>		271	289 547	47 245	(91 848)	199 217	444 432	6 842	451 274
<b>Total comprehensive income for the period</b>									
Profit for the period		-	-	-	-	88 897	88 897	12 729	101 626
<i>Other comprehensive income:</i>									
Foreign currency translation differences		-	-	-	9 747	-	9 747	1 231	10 978
<b>Total comprehensive income for the period</b>		-	-	-	9 747	88 897	98 644	13 960	112 604
<b>Transactions with owners of the Company</b>									
<i>Contributions by and distributions to owners</i>									
Dividends paid	27	-	-	-	-	(14 118)	(14 118)	(169)	(14 287)
Issue of ordinary shares	17	11	20 429	-	-	-	20 440	-	20 440
Acquisition of non-controlling interest	17	-	-	-	-	(8 471)	(8 471)	(11 437)	(19 908)
Acquired through business combination	21	-	-	-	-	-	-	66 181	66 181
Equity-settled share-based payments		-	-	-	-	551	551	-	551
Contributions by and distributions to owners of the Company		11	20 429	-	-	(22 038)	(1 598)	54 575	52 977
Total transactions with owners of the Company		11	20 429	-	-	(22 038)	(1 598)	54 575	52 977
<b>Balance at 31 March 2022 (Reviewed)</b>		282	309 976	47 245	(82 101)	266 076	541 478	75 377	616 855

The notes on pages 22 to 53 are an integral part of these interim condensed consolidated financial statements.

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period ended 31 March 2022

	Notes	Attributable to owners of the Company						Non-controlling interest	Total equity
		Share capital US\$'000	Share premium US\$'000	Other reserve US\$'000	Foreign currency translation reserve US\$'000	Retained earnings US\$'000	Total US\$'000		
<b>Balance at 1 October 2020 (Audited)</b>		269	286 660	47 245	(104 850)	122 085	351 409	(30 580)	320 829
<b>Total comprehensive income for the period</b>									
Profit for the period		-	-	-	-	57 439	57 439	18 224	75 663
<i>Other comprehensive income:</i>									
Foreign currency translation differences		-	-	-	22 787	-	22 787	11 399	34 186
<b>Total comprehensive income for the period</b>		-	-	-	22 787	57 439	80 226	29 623	109 849
<b>Transactions with owners of the Company</b>									
<i>Contributions by and distributions to owners</i>									
Issue of ordinary shares	17	-	524	-	-	-	524	-	524
Dividends paid	27	-	-	-	-	(9 414)	(9 414)	(323)	(9 737)
Equity-settled share-based payments		-	-	-	-	178	178	-	178
Contributions by and distributions to owners of the Company		-	524	-	-	(9 236)	(8 712)	(323)	(9 035)
Total transactions with owners of the Company		-	524	-	-	(9 236)	(8 712)	(323)	(9 035)
<b>Balance at 31 March 2021 (Reviewed)</b>		269	287 184	47 245	(82 063)	170 288	422 923	(1 280)	421 643

The notes on pages 22 to 53 are an integral part of these interim condensed consolidated financial statements.

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period ended 31 March 2022

	Notes	Attributable to owners of the Company						Non-controlling interest	Total equity
		Share capital US\$'000	Share premium US\$'000	Other reserve US\$'000	Foreign currency translation reserve US\$'000	Retained earnings US\$'000	Total US\$'000		
<b>Balance at 1 October 2020 (Audited)</b>		269	286 660	47 245	(104 850)	122 085	351 409	(30 580)	320 829
<b>Total comprehensive income for the year</b>									
Profit for the year		-	-	-	-	100 469	100 469	31 072	131 541
<i>Other comprehensive income:</i>									
Foreign currency translation differences		-	-	-	13 002	-	13 002	7 448	20 450
<b>Total comprehensive income for the year</b>		-	-	-	13 002	100 469	113 471	38 520	151 991
<b>Transactions with owners of the Company</b>									
<i>Contributions by and distributions to owners</i>									
Dividends paid	27	-	-	-	-	(20 181)	(20 181)	(1 098)	(21 279)
Issue of ordinary shares	17	2	2 887	-	-	-	2 889	-	2 889
Equity-settled share-based payments		-	-	-	-	(3 156)	(3 156)	-	(3 156)
Contributions by and distributions to owners of the Company		2	2 887	-	-	(23 337)	(20 448)	(1 098)	(21 546)
Total transactions with owners of the Company		2	2 887	-	-	(23 337)	(20 448)	(1 098)	(21 546)
<b>Balance at 30 September 2021 (Audited)</b>		271	289 547	47 245	(91 848)	199 217	444 432	6 842	451 274

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 17% and General Health System contribution at 1.7%-2.65% for deemed distributions after 1 March 2019 will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident and Cyprus domiciled. The amount of the deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

The notes on pages 22 to 53 are an integral part of these interim condensed consolidated financial statements.

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the period ended 31 March 2022

		Period ended 31 March 2022 Reviewed US\$'000	Period ended 31 March 2021 Reviewed US\$'000	Year ended 30 September 2021 Audited US\$'000
	<i>Notes</i>			
<b>Cash flows from operating activities</b>				
Profit for the period/year		101 626	75 663	131 541
Adjustments for:				
Depreciation of property, plant and equipment	11	18 449	15 949	36 024
Share of loss of investment accounted for using the equity method	12	5 229	131	251
Net realisable value write down of inventory	14	613	361	789
Write off of property, plant and equipment	11	2 876	2 509	4 950
Expected credit loss allowance	15	9	102	100
Equity-settled share-based payments		1 029	178	3 560
Changes in fair value of financial assets at fair value through profit or loss	22	4 814	(1 655)	(10 540)
Gain on acquisition of subsidiary	21	(48 597)	-	-
Changes in fair value of financial liabilities at fair value through profit or loss	22	1 769	(811)	370
Net foreign exchange loss/(gain)		8 848	2 913	(15 477)
Interest income		(460)	(560)	(1 391)
Interest expense		2 323	2 755	4 893
Tax		22 670	28 929	53 714
		<b>121 198</b>	<b>126 464</b>	<b>208 784</b>
Changes in:				
Inventories		(14 162)	2 669	(13 442)
Trade and other receivables and contract assets		(45 241)	(31 298)	(11 385)
Trade and other payables and contract liabilities		3 805	9 598	39 674
Provisions		(1 093)	-	2 150
Cash generated from operations		<b>64 507</b>	<b>107 433</b>	<b>225 781</b>
Income tax paid		(15 410)	(2 516)	(17 412)
<b>Net cash flows from operating activities</b>		<b>49 097</b>	<b>104 917</b>	<b>208 369</b>
<b>Cash flows from investing activities</b>				
Interest received		317	531	1 107
Additions to property, plant and equipment	11	(51 096)	(39 465)	(106 006)
Net cash inflow/(outflow) from business combination	21	4 984	2	(3 079)
Increase in investments accounted for using the equity method	12	(4 965)	(112)	-
Additions to other assets	13	(222)	(1 426)	(2 282)
<b>Net cash flows used in investing activities</b>		<b>(50 982)</b>	<b>(40 470)</b>	<b>(110 260)</b>
<b>Cash flows from financing activities</b>				
Movement in bank credit facilities	18	32 442	(6 782)	(15 553)
Advances received	18	11 534	17 064	26 787
Repayment of borrowings	18	(7 182)	(41 056)	(48 208)
Principal lease payments	18	(2 113)	(2 402)	(4 597)
Dividends	27	(14 287)	(9 737)	(21 279)
Interest paid		(1 612)	(1 347)	(3 003)
<b>Net cash flows from/(used in) financing activities</b>		<b>18 782</b>	<b>(44 260)</b>	<b>(65 853)</b>
<b>Net increase in cash and cash equivalents</b>		<b>16 897</b>	<b>20 187</b>	<b>32 256</b>
Cash and cash equivalents at the beginning of the period/year		83 436	49 293	49 293
Effect of exchange rate fluctuations on cash held		1 129	3 298	1 887
<b>Cash and cash equivalents at the end of the period/ year</b>	16	<b>101 462</b>	<b>72 778</b>	<b>83 436</b>

The notes on pages 22 to 53 are an integral part of these interim condensed consolidated financial statements.



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 31 March 2022

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### 1. REPORTING ENTITY

Tharisa plc ('the Company') is a company domiciled in Cyprus. These interim condensed consolidated financial statements of the Company for the period ended 31 March 2022 comprise the Company and its subsidiaries (together referred to as 'the Group'). The Group is primarily involved in platinum group metals ('PGM') and chrome mining, processing, trading and the associated logistics. The Company is listed on the main board of the JSE Limited and has a secondary standard listing on the main board of the London Stock Exchange and a secondary listing on the A2X Exchange in South Africa.

### 2. INDEPENDENT AUDITOR'S REVIEW

Ernst & Young Cyprus Limited, the independent auditor, has conducted a review in accordance with International Standards on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor, and their unmodified review report is available on page 15.

### 3. BASIS OF PREPARATION

#### Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with the Listings Requirements of the JSE Limited, the framework concepts and the measurement and recognition requirements of IFRS, the International Accounting Standards 34 Interim Financial Reporting, the SAICA Financial Reporting Guides issued by the Accounting Practices Committee and the Financial Reporting Pronouncements of the Financial Reporting Standards Council. Selected explanatory notes are included to explain events and transactions that are significant to obtain an understanding of the changes in the financial position and performance of the Group since the last consolidated financial statements as at and for the year ended 30 September 2021. These interim condensed consolidated financial statements do not include all the information required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards ('IFRS'). The interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 30 September 2021, which have been prepared in accordance with IFRS.

These condensed consolidated financial statements were approved by the Board of Directors on 24 May 2022.

#### Basis of measurement

The interim condensed consolidated financial statements are prepared on the historical cost basis except as otherwise stated in the accounting policies set out below.

#### Functional and presentation currency

The interim condensed consolidated financial statements are presented in United States Dollars ('US\$') which is the Company's functional currency and presentation currency. Amounts are rounded to the nearest thousand.

The following US\$ : ZAR exchange rates were used in preparing the interim condensed consolidated financial statements:

- Closing rate: ZAR14.62 (31 March 2021: ZAR14.76 and 30 September 2021: ZAR15.05)
- Average rate: ZAR15.33 (31 March 2021: ZAR15.28 and 30 September 2021: ZAR14.83)

#### Going concern

These interim condensed consolidated financial statements have been prepared on a going concern basis.

#### Use of estimates and judgements

Preparing the interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements at and for the year ended 30 September 2021.

### 4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's consolidated financial statements for the year ended 30 September 2021.



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 31 March 2022

### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Standards and interpretations adopted in the current year

The Group has adopted the following revised standards and interpretations which became effective for the year ending 30 September 2022:

- *Interest Rate Benchmark Reform - Phase 2 Amendments to IFRS 9, IAS 39, IFRS 4, IFRS 7 and IFRS 16*

The Amendments focus on the effects on financial statements when an entity replaces the old interest rate benchmark with an alternative benchmark rate as a consequence of the global regulatory reform of key interbank offered rates ('IBORs'). The US Libor that the Group is exposed to will cease to exist by June 2023. The group's borrowings that reference US Libor are: the asset backed loan facilities and bank credit facilities including specifically trade finance facilities. The Group is in discussions with debt counterparties as to new reference rates on the IBOR linked borrowings, including the consideration of the Secured Overnight Financing Rate which is the recommended US LIBOR alternative. The Group will assess the impact on the balances and cash flows linked to the rate changes arising from IBOR reform once negotiations with debt counterparties are more advanced and more information is available on the replacement interest rates.

#### Standards and interpretations issued but not yet effective

The new standards, interpretations and amendments to standards listed below are not effective and have not been early adopted but will be adopted once they become effective. The Group notes the new standards, amendments and interpretations which have been issued but not yet effective and does not plan to early adopt these. There are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods.

- *Classification of Liabilities as Current or Non-current - Amendments to IAS 1*
- *Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37*
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12*

### 5. OPERATING SEGMENTS

For management purposes, the chief operating decision maker of the Group, being the executive directors of the Company and the executive directors of the subsidiaries, reports its results per segment. The Group currently has the following four segments:

- PGM segment
- Chrome segment
- Agency and trading segment
- Manufacturing segment

The operating results of each segment are monitored separately by the chief operating decision maker in order to assist them in making decisions regarding resource allocation as well as enabling them to evaluate performance. Segment performance is evaluated on a PGM ounce production and sales basis, and a chrome concentrate tonnes production and sales basis. The agency and trading segment performance is evaluated on third-party chrome concentrate tonnes production and sales basis. Third-party logistics, third-party trading and third party chrome operations are evaluated individually but aggregated together as the agency and trading segment. For the manufacturing segment, performance is evaluated on a sales and gross profit basis.

The Group's administrative costs, financing (including finance income and finance costs) and income taxes are managed on a group basis and are not allocated to a segment.

Due to the intrinsic nature of the Group's PGM and chrome concentrate production processes, assets are reported on a consolidated basis and cannot necessarily be allocated to a specific segment. Consequently, assets are not disclosed per segment in the following segmental analysis. Refer to the interim condensed consolidated statement of profit or loss for a reconciliation between the Group's segmental gross profit and the Group's net profit after tax.

	PGM	Chrome	Agency and trading	Manufacturing	Total
Period ended 31 March 2022 (Reviewed)	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Revenue	194 979	120 062	17 675	1 313	334 029
Cost of sales					
Manufacturing costs	(108 132)	(33 012)	(10 859)	(1 245)	(153 248)
Selling costs	(387)	(29 603)	(1 861)	-	(31 851)
Freight services	-	(22 541)	(3 761)	-	(26 302)
	(108 519)	(85 156)	(16 481)	(1 245)	(211 401)
Gross profit	86 460	34 906	1 194	68	122 628

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
for the period ended 31 March 2022

**5. OPERATING SEGMENTS (continued)**

	PGM US\$'000	Chrome US\$'000	Agency and trading US\$'000	Manufacturing US\$'000	Total US\$'000
Period ended 31 March 2021 (Reviewed)					
Revenue	193 297	102 095	16 856	1 378	313 626
Cost of sales					
Manufacturing costs	(96 593)	(33 271)	(7 878)	(638)	(138 380)
Selling costs	(219)	(26 917)	(5 373)	-	(32 509)
Freight services	-	(11 747)	(2 398)	-	(14 145)
	(96 812)	(71 935)	(15 649)	(638)	(185 034)
Gross profit	96 485	30 160	1 207	740	128 592
Year ended 30 September 2021 (Audited)					
Revenue	353 388	203 875	36 494	2 588	596 345
Cost of sales					
Manufacturing costs	(205 008)	(63 608)	(13 600)	(2 551)	(284 767)
Selling costs	(540)	(54 297)	(14 915)	-	(69 752)
Freight services	-	(29 213)	(5 194)	-	(34 407)
	(205 548)	(147 118)	(33 709)	(2 551)	(388 926)
Gross profit	147 840	56 757	2 785	37	207 419

The shared costs relating to the production of PGM and chrome concentrates are allocated to the relevant operating segments based on the relative sales value per product on an ex-works basis. Shared costs are allocated 80.0% to PGM concentrate and 20.0% to chrome concentrates. The allocation is consistent to the basis applied for the period and year ended 31 March 2021 and 30 September 2021 respectively.

Cost of sales includes a charge for the write off of property, plant and equipment totalling US\$2.9 million (period ended 31 March 2021: US\$2.5 million and year ended 30 September 2021: US\$5.0 million) which mainly relates to mining equipment. The write off has been allocated to the PGM and chrome segments in accordance with the allocation basis of shared costs as described in the preceding paragraph.

**Geographical information**

The following table sets out information about the geographical location of:

- (i) the Group's revenue from external customers and
- (ii) the Group's property, plant and equipment and intangible assets ('specified non-current assets') (31 March 2021 and 30 September 2021 includes the investment accounted for using the equity method).

The geographical location analysis of revenue from external customers is based on the country of establishment of each customer. The geographical location of the specified non-current assets is based on the physical location of the asset in the case of property, plant and equipment and intellectual property and the location of the operation to which they are allocated in the case of goodwill.

**(i) Revenue from external customers**

	PGM US\$'000	Chrome US\$'000	Agency and trading US\$'000	Manufacturing US\$'000	Total US\$'000
Period ended 31 March 2022 (Reviewed)					
South Africa	194 979	22 847	2 226	1 249	221 301
China	-	36 906	9 096	-	46 002
Singapore	-	38 618	-	-	38 618
Hong Kong	-	16 717	1 433	-	18 150
Australia	-	1 548	-	-	1 548
Japan	-	3 426	4 782	-	8 208
Other countries	-	-	138	64	202
	194 979	120 062	17 675	1 313	334 029

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
for the period ended 31 March 2022

**5. OPERATING SEGMENTS (continued)**

**(i) Revenue from external customers (continued)**

Period ended 31 March 2021	PGM US\$'000	Chrome US\$'000	Agency and trading US\$'000	Manufacturing US\$'000	Total US\$'000
South Africa	193 297	17 416	402	1 378	212 493
China	-	32 164	14 001	-	46 165
Singapore	-	23 155	-	-	23 155
Hong Kong	-	20 412	2 305	-	22 717
United Arab Emirates	-	7 628	-	-	7 628
Other countries	-	1 320	148	-	1 468
	193 297	102 095	16 856	1 378	313 626

Year ended 30 September 2021	PGM US\$'000	Chrome US\$'000	Agency and trading US\$'000	Manufacturing US\$'000	Total US\$'000
South Africa	353 388	37 502	4 961	2 567	398 418
China	-	52 433	27 496	-	79 929
Singapore	-	43 796	-	-	43 796
Hong Kong	-	53 277	3 774	-	57 051
United Arab Emirates	-	7 923	-	-	7 923
Australia	-	5 802	-	-	5 802
Japan	-	3 142	-	-	3 142
Other countries	-	-	263	21	284
	353 388	203 875	36 494	2 588	596 345

Revenue represents the sales value of goods supplied to customers, net of value-added tax. The following table summarises sales to customers with whom transactions have individually exceeded 5.0% (period ended 31 March 2021: 5.0% and year ended 30 September 2021: 5.0%) of the Group's revenues.

	Period ended 31 March 2022		Period ended 31 March 2021		Year ended 30 September 2021	
	Reviewed Segment	US\$'000	Reviewed Segment	US\$'000	Audited Segment	US\$'000
Customer 1	PGM	167 047	PGM	161 822	PGM	296 020
Customer 2	Chrome	34 415	PGM	31 475	PGM and Agency and trading	57 518
Customer 3	PGM and Agency and trading	28 105	Chrome	21 825	Chrome and Agency and trading	41 036
Customer 4	Chrome and Agency and trading	24 027	Chrome	18 297	Chrome	40 661
Customer 5	Chrome and Agency and trading	23 420	Chrome	17 416	Chrome	35 167
			<b>31 March 2022 Reviewed US\$'000</b>		31 March 2021 Reviewed US\$'000	30 September 2021 Audited US\$'000
<b>(ii) Specified non-current assets</b>						
South Africa			409 557		339 929	373 418
Zimbabwe			218 892		16 307	19 874
Cyprus			360		367	385
			<b>628 809</b>		356 603	393 677

Non-current assets includes property, plant and equipment and intangible assets (31 March 2021 and 30 September 2021 also includes the investment accounted for using the equity method).

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
for the period ended 31 March 2022

**6. REVENUE**

Period ended 31 March 2022 (Reviewed)	PGM US\$'000	Chrome US\$'000	Agency and trading US\$'000	Manufacturing US\$'000	Total US\$'000
<b>Revenue recognised at a point in time</b>					
Variable revenue based on initial results	185 163	75 174	11 789	-	272 126
Quantity adjustments	(13 776)	(501)	8	-	(14 269)
Revenue based on fixed selling prices	-	22 847	2 117	1 313	26 277
<b>Revenue recognised over time</b>					
Freight services	-	22 542	3 761	-	26 303
<b>Revenue from contracts with customers</b>	<b>171 387</b>	<b>120 062</b>	<b>17 675</b>	<b>1 313</b>	<b>310 437</b>
Fair value adjustments (refer to note 22)	23 592	-	-	-	23 592
<b>Total revenue</b>	<b>194 979</b>	<b>120 062</b>	<b>17 675</b>	<b>1 313</b>	<b>334 029</b>
<b>Period ended 31 March 2021 (Reviewed)</b>					
<b>Revenue recognised at a point in time</b>					
Variable revenue based on initial results	165 173	72 856	13 736	-	251 765
Quantity adjustments	(7 235)	75	172	-	(6 988)
Revenue based on fixed selling prices	-	17 416	550	1 378	19 344
<b>Revenue recognised over time</b>					
Freight services	-	11 748	2 398	-	14 146
<b>Revenue from contracts with customers</b>	<b>157 938</b>	<b>102 095</b>	<b>16 856</b>	<b>1 378</b>	<b>278 267</b>
Fair value adjustments	35 359	-	-	-	35 359
<b>Total revenue</b>	<b>193 297</b>	<b>102 095</b>	<b>16 856</b>	<b>1 378</b>	<b>313 626</b>
<b>Year ended 30 September 2021 (Audited)</b>					
<b>Revenue recognised at a point in time</b>					
Variable revenue based on initial results	375 036	138 169	26 539	-	539 744
Quantity adjustments	(15 350)	(1 009)	(316)	-	(16 675)
Revenue based on fixed selling prices	-	37 502	5 077	2 588	45 167
<b>Revenue recognised over time</b>					
Freight services	-	29 213	5 194	-	34 407
<b>Revenue from contracts with customers</b>	<b>359 686</b>	<b>203 875</b>	<b>36 494</b>	<b>2 588</b>	<b>602 643</b>
Fair value adjustments	(6 298)	-	-	-	(6 298)
<b>Total revenue</b>	<b>353 388</b>	<b>203 875</b>	<b>36 494</b>	<b>2 588</b>	<b>596 345</b>

During the period ended 31 March 2022, revenue from freight services of US\$2.4 million (period ended 31 March 2021 and year ended 30 September 2021: US\$2.1 million) was recognised which was classified as a contract liability at 30 September 2021 (31 March 2021 and 30 September 2021: 30 September 2020).

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 31 March 2022

### 7. COST OF SALES

	Period ended 31 March 2022 Reviewed US\$'000	Period ended 31 March 2021 Reviewed US\$'000	Year ended 30 September 2021 Audited US\$'000
<b>Mining</b>			
Drill and blast	16 065	11 198	29 573
Load and haul	14 657	9 752	26 197
Diesel	16 825	9 686	25 614
Salaries and wages	16 966	12 208	29 259
Provident fund contributions	930	631	1 448
Mining contractor	1 061	-	-
Maintenance	16 383	13 115	28 160
Depreciation	9 922	8 253	18 932
Cost of commodities	10 016	9 670	23 156
Write off of property, plant and equipment	2 876	2 509	4 950
	<b>105 701</b>	<b>77 022</b>	<b>187 289</b>
<b>Processing</b>			
Salaries and wages	9 052	8 270	16 084
Provident fund contributions	673	493	1 062
Utilities	7 183	6 222	15 129
Materials and consumables	16 729	14 291	21 384
Contractor and equipment hire	883	1 770	12 115
Overhead	3 573	2 121	3 416
Depreciation	7 624	7 217	16 085
	<b>45 717</b>	<b>40 384</b>	<b>85 275</b>
State royalties	14 691	17 399	23 788
Change in inventories – finished products and ore stockpile	(12 862)	3 575	(11 585)
Selling costs	31 851	32 509	69 752
Freight services	26 303	14 145	34 407
Cost of sales	<b>211 401</b>	<b>185 034</b>	<b>388 926</b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
for the period ended 31 March 2022

**8. OTHER OPERATING EXPENSES**

	<b>Period ended 31 March 2022 Reviewed US\$'000</b>	Period ended 31 March 2021 Reviewed US\$'000	Year ended 30 September 2021 Audited US\$'000
Directors and staff costs			
Non-Executive Directors	322	314	631
Employees - salaries	9 626	8 311	17 504
Employees - bonuses	1 497	1 171	1 831
Employees - provident fund and other contributions	1 297	1 041	1 823
	<b>12 742</b>	<b>10 837</b>	<b>21 789</b>
Audit – external audit services	189	294	579
Bank charges and related fees	384	473	809
Consulting and business development cost	977	1 276	2 082
Corporate and social investment	86	308	246
Depreciation	903	479	1 007
Equity-settled share-based payment expense	1 029	679	3 560
Internal audit	21	61	91
Expected credit loss allowance	9	-	100
Listing fees and investor relations	321	192	346
Health and safety	1 368	971	1 818
Insurance	1 556	1 197	2 619
Legal and professional	390	1 339	1 763
Office administration, rent and utilities	1 352	643	1 557
Research and development	381	320	605
Security	479	451	919
Telecommunications and IT related	2 236	1 889	3 929
Training	105	76	403
Travelling and accommodation	77	51	94
Sundry	195	60	506
	<b>24 800</b>	<b>21 596</b>	<b>44 822</b>
Number of employees	<b>2 091</b>	1 912	1 996

The change in line item description from administrative expenses to other operating expenses is consistent with the presentation and disclosure within the consolidated financial statements of the Group for the year ended 30 September 2021.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 31 March 2022

### 9. TAX

	Period ended 31 March 2022 Reviewed US\$'000	Period ended 31 March 2021 Reviewed US\$'000	Year ended 30 September 2021 Audited US\$'000
<b>Corporate income tax for the year</b>			
Cyprus	1 163	733	1 774
South Africa	17 230	1 860	5 895
	<b>18 393</b>	<b>2 593</b>	<b>7 669</b>
Special contribution for defence in Cyprus*	1	-	-
Deferred tax: originating and reversal of temporary differences	4 143	26 290	44 814
Dividend withholding tax	133	46	1 231
<b>Tax charge</b>	<b>22 670</b>	<b>28 929</b>	<b>53 714</b>
* Amount is less than US\$1 000.			
<b>Reconciliation between tax charge and accounting profit at applicable tax rates:</b>			
Profit before tax	124 296	104 592	185 255
Notional tax on profit before tax, calculated at the Cypriot income tax rate of 12.5% (31 March 2021 and 30 September 2021: 12.5%)	15 537	13 074	23 157
Tax effects of:			
Different tax rates from the standard Cypriot income tax rate	11 879	15 644	26 989
Impact of change in South African tax rate – deferred tax	(1 387)	-	-
Tax exempt income			
Gain on business combination	(6 075)	-	-
Fair value adjustments	-	(143)	(722)
Interest received	(29)	(9)	(6)
Currency gains	(234)	(163)	(37)
Other	(4)	(1)	(5)
Non-deductible expenses			
Share of loss of equity-accounted investments	654	16	31
Fair value adjustments	734	-	-
Investment related expenses	400	290	558
Interest paid	13	-	-
Currency losses	76	110	192
Capital expenses	145	61	240
Special contribution for defence in Cyprus	1	-	2
Dividend withholding tax - accrued preference dividends	131	-	2 068
Dividend withholding tax - current year dividends	133	46	1 232
Deferred tax - unremitted distributable reserves of foreign subsidiaries	625	-	-
Prior year under provision of current income tax	104	-	-
Deferred tax not raised: assessed losses	(37)	-	-
Recognition of deemed interest income for tax purposes	4	4	15
<b>Tax charge</b>	<b>22 670</b>	<b>28 929</b>	<b>53 714</b>



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
for the period ended 31 March 2022

9. TAX (continued)

	Period ended 31 March 2022 Reviewed US\$'000	Period ended 31 March 2021 Reviewed US\$'000	Year ended 30 September 2021 Audited US\$'000
<b>Reconciliation between tax charge and accounting profit at applicable tax rates:</b>			
Profit before tax	124 296	104 592	185 255
Notional tax on profit before tax, calculated at the current South African income tax rate of 28.0% (31 March 2021 and 30 September 2020: 28.0%)	34 803	29 286	51 871
Tax effects of:			
Different tax rates from the standard South African income tax rate	(1 500)	(830)	(6 097)
Impact of change in South African tax rate – deferred tax	(3 107)	-	-
Tax exempt income			
Gain on business combination	(13 607)	-	-
Fair value adjustments	-	(321)	(1 616)
Interest received	(65)	(21)	(14)
Currency gains	(523)	(365)	(82)
Other	(9)	(1)	(11)
Non-deductible expenses			
Share of loss of equity-accounted investments	1 464	36	70
Fair value adjustments	1 643	-	-
Investment related expenses	897	650	1 249
Interest paid	28	-	-
Currency losses	171	247	430
Capital expenses	325	136	538
Special contribution for defence in Cyprus	1	-	5
Dividend withholding tax - accrued preference dividends	293	-	4 577
Dividend withholding tax - current year dividends	297	103	2 760
Deferred tax - unremitted distributable reserves of foreign subsidiaries	1 399	-	-
Prior year under provision of current income tax	234	-	-
Deferred tax not raised: assessed losses	(82)	-	-
Recognition of deemed interest income for tax purposes	8	9	34
<b>Tax charge</b>	<b>22 670</b>	<b>28 929</b>	<b>53 714</b>

Tax is recognised on management's best estimate of the weighted average annual income tax rate expected for the full financial period/year applied to the pre-tax income of the period/year. In terms of the Double Taxation Agreement between Cyprus and South Africa, dividend withholding tax at a rate of 5.0% (period ended 31 March 2021 and year ended 30 September 2021: 5.0%) is charged on dividends declared. The Group's consolidated effective tax rate for the period ended 31 March 2022 was 18.2% (period ended 31 March 2021: 27.7% year ended 30 September 2021: 29.0%).

Effective for the 2023 financial year, the South African corporate tax rate will decrease from 28.0% to 27.0%. For the interim period ended 31 March 2022, the Group's South Africa deferred tax assets and liabilities have been adjusted by applying the newly enacted 27.0% South African corporate tax rate (31 March 2021 and 30 September 2021: 28.0%).

Other than Cyprus and South Africa, no provision for tax in other jurisdictions was made as these entities either sustained losses for taxation purposes or did not earn any assessable profits.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 31 March 2022

### 10. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share and headline and diluted headline earnings per share have been based on the profit attributable to the ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding. Treasury shares are excluded from the weighted average number of ordinary shares outstanding. Vested Share Appreciation Rights ('SARS') issued to employees at award prices lower than the current share price, results in a potential dilutive impact on the weighted average number of issued ordinary shares and have been included in the calculation of dilutive weighted average number of issued ordinary shares. The average market value of the Company's shares for the purposes of calculating the potential dilutive effect of SARS was based on quoted market prices for the year during which the options were outstanding.

	Period ended 31 March 2022 Reviewed US\$'000	Period ended 31 March 2021 Reviewed US\$'000	Year ended 30 September 2021 Audited US\$'000			
<b>Basic and diluted earnings per share</b>						
Profit for the year attributable to ordinary shareholders (US\$'000)	88 897	57 439	100 469			
Weighted average number of issued ordinary shares for basic earnings and headline earnings per share ('000)	272 262	268 534	268 859			
Dilutive impact of SARS ('000)	1 276	2 153	599			
Dilutive impact of acquisition of the non-controlling shares in Tharisa Minerals Proprietary Limited (refer to note 17)	3 209	-	-			
Weighted average number of ordinary shares for diluted basic earnings and diluted headline earnings per share ('000)	276 747	270 687	269 458			
<b>Earnings per share</b>						
Basic (US\$ cents)	32.7	21.4	37.4			
Diluted (US\$ cents)	32.1	21.2	37.3			
<b>Headline and diluted headline earnings per share</b>						
Headline earnings for the year attributable to ordinary shareholders (US\$'000)	42 091	58 776	103 107			
<b>Headline earnings per share</b>						
Basic (US\$ cents)	15.5	21.9	38.3			
Diluted (US\$ cents)	15.2	21.7	38.3			
<b>Reconciliation of profit to headline earnings</b>						
	31 March 2022 (Reviewed)			Period ended 31 March 2021 Reviewed US\$'000	Year ended 30 September 2021 Audited US\$'000	
	Gross US\$'000	Tax US\$'000	Non- controlling interest US\$'000	Net US\$'000		
Profit attributable to ordinary shareholders				88 897	57 439	100 469
Adjustments:					-	-
Gain on acquisition: fair value re-measurement of existing 28.38% shareholding	(33 503)	-	-	(33 503)	-	-
Gain on acquisition: purchase of shares at a discount	(15 094)	-	-	(15 094)	-	-
Write off of property, plant and equipment	2 876	(805)	(280)	1 791	1 337	2 638
Headline earnings				42 091	58 776	103 107

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 31 March 2022

### 11. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings US\$'000	Mining assets and infrastructure US\$'000	Mining fleet US\$'000	Right-of-use asset: mining fleet US\$'000	Mineral rights US\$'000	Other assets US\$'000	Total US\$'000	31 March 2021 Reviewed Total US\$'000	30 September 2021 Audited Total US\$'000
<b>Cost</b>									
Balance at 30 September 2021 (Audited)	19 293	396 901	99 585	16 790	-	9 562	542 131	396 878	396 878
Additions	3 481	28 236	17 473	-	-	1 906	51 096	39 465	106 006
Lease agreements entered into	-	-	-	60	-	-	60	1 271	2 157
Business combination (note 21)	-	1 570	-	-	201 750	190	203 510	4 630	4 704
Disposals	-	-	-	-	-	-	-	(1)	(5)
Re-measurement	-	-	25	6	-	(3)	28	(18)	21
Write offs	-	(61)	(7 091)	(1 292)	-	(134)	(8 578)	(3 935)	(9 023)
Transfers	-	646	2 418	(7 248)	-	(633)	(4 817)	(571)	(614)
Exchange differences on translation	713	12 538	3 550	81	-	319	17 201	53 358	42 007
<b>Balance at 31 March 2022 (Reviewed)</b>	<b>23 487</b>	<b>439 830</b>	<b>115 960</b>	<b>8 397</b>	<b>201 750</b>	<b>11 207</b>	<b>800 631</b>	<b>491 077</b>	<b>542 131</b>
<b>Accumulated depreciation</b>									
Balance at 30 September 2021 (Audited)	(1 353)	(105 512)	(39 744)	(8 977)	-	(6 084)	(161 670)	(117 918)	(117 918)
Charge for the period/year	(128)	(7 891)	(8 475)	(974)	-	(981)	(18 449)	(15 949)	(36 024)
Business combination (note 21)	-	(17)	-	-	-	(84)	(101)	-	(12)
Disposals	-	-	-	-	-	-	-	1	4
Write offs	-	46	4 792	736	-	128	5 702	1 427	4 073
Transfers	-	-	-	4 830	-	(13)	4 817	571	614
Exchange differences on translation	(45)	(3 459)	(1 347)	(40)	-	(208)	(5 099)	(15 893)	(12 407)
<b>Balance at 31 March 2022 (Reviewed)</b>	<b>(1 526)</b>	<b>(116 833)</b>	<b>(44 774)</b>	<b>(4 425)</b>	<b>-</b>	<b>(7 242)</b>	<b>(174 800)</b>	<b>(147 761)</b>	<b>(161 670)</b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
for the period ended 31 March 2022

**11. PROPERTY, PLANT AND EQUIPMENT (continued)**

	<b>31 March 2022 Reviewed US\$'000</b>	31 March 2021 Reviewed US\$'000	30 September 2021 Audited US\$'000
<b>Net book value</b>			
Freehold land and buildings	21 961	17 719	17 940
Mining assets and infrastructure	322 997	256 283	291 389
Mining fleet	71 186	57 908	59 841
Right-of-use mining fleet	3 972	9 138	7 813
Mineral rights	201 750	-	-
Other assets	3 965	2 268	3 478
	<b>625 831</b>	<b>343 316</b>	<b>380 461</b>

Included in additions to mining assets and infrastructure are additions to the deferred stripping asset of US\$4.9 million (31 March 2021: US\$13.9 million and 30 September 2021: US\$25.8 million).

The estimated economically recoverable proved and probable mineral reserve of Tharisa Minerals Proprietary Limited was reassessed at 18 November 2021 which gave rise to a change in accounting estimate. Following an annual review of its Minerals Resource and Mineral Reserve statement, the open pit life of mine was extended by seven years. The remaining reserve that management had previously assessed was 97.5 Mt (at 1 October 2020). At 18 November 2021, the remaining reserve was assessed to be 113.6 Mt.

As a result, the expected useful life of the plant increased. The impact of the change on the actual depreciation expense, included in cost of sales, is a reduced depreciation charge of US\$1.0 million. The change in estimate was recognised prospectively.

Included in mining assets and infrastructure and other assets are projects under construction of US\$141.8 million (31 March 2021: US\$34.2 million and 30 September 2021: US\$61.5 million).

Other assets comprise of motor vehicles, computer equipment and software, office equipment and furniture, community and site office improvements and building right-of-use assets.

**Capital commitments**

At 31 March 2022, the Group's capital commitments for contracts to purchase property, plant and equipment amounted to US\$43.8 million (31 March 2021: US\$47.6 million and 30 September 2021: US\$31.9 million).

**Securities**

At 31 March 2022, 31 March 2021 and 30 September 2021, the majority of the Group's mining fleet was pledged as security against the asset backed loan facilities (refer to note 18).

**Write offs**

During the period ended 31 March 2022, the Group scrapped individual assets totalling US\$2.9 million (31 March 2021: US\$2.5 million and 30 September 2021: US\$5.0 million). The write offs mainly relate to yellow fleet equipment identified as no longer fit for use and premature component failures.

The mining component pre-mature failures are identified through the measurement of the hours depreciated for each component in relation to the expected useful life. A write off is recognised for each component that did not reach its expected useful life. Further to this, mining fleet is also written off on confirmation as obsolete by management.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the period ended 31 March 2022

### 12. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

The investment accounted for using the equity method represented the investment of 28.38% (31 March 2021 and 30 September 2021: 26.8%) of the issued share capital of Karo Mining Holdings Limited ('Karo Mining'), a company incorporated in Cyprus. Karo Mining's principal place of business is in Cyprus. The functional and presentation currency of Karo Mining and its subsidiaries is the US\$.

As there were certain contractual arrangements requiring decisions about the relevant activities to be unanimous consent, the Group determined that a joint arrangement existed and consequently classified its investment in Karo Mining as a joint venture at 31 March 2021 and 30 September 2021. The Group accounts for joint ventures using the equity method in the consolidated financial statements.

Effective 7 February 2022, the Company acquired an additional 1.58% of the issued share capital of Karo Mining increasing its shareholding to 28.38% for a cash subscription of 22 new ordinary shares for US\$5.0 million.

Effective 30 March 2022, the Company acquired a controlling interest in Karo Mining by increasing its shareholding to 66.34% of the issued share capital of Karo Mining. The additional 37.96% of the issued share capital of Karo Mining was acquired from the Leto Settlement, a related party (refer to note 23) for a purchase consideration of US\$29.4 million. The purchase consideration will be settled through the issue of 13 693 000 new ordinary shares of the Company to the Leto Settlement.

The call option that existed at 30 September 2021 allowing the Company, at its election, to directly subscribe for shares in Karo Platinum (Private) Limited ('Karo Platinum') (up to 40.0% of the issued share capital of Karo Platinum) by way of a farm-in agreement was restructured on 30 March 2022 and replaced by the acquisition of the additional 37.96% in Karo Mining at a discount to the fair value (refer to notes 13 and 21).

	<b>31 March 2022 Reviewed US\$'000</b>	31 March 2021 Reviewed US\$'000	30 September 2021 Audited US\$'000
<b>Investment in Karo Mining</b>			
Opening balance	10 274	10 303	10 303
Interest capitalised	112	112	222
Share of total comprehensive loss	(5 229)	(131)	(251)
Additional investment (1.58%)	4 965	-	-
Reclassification of loan receivable to other financial assets	(8 466)	-	-
Carrying value of pre-existing shareholding prior to the acquisition of controlling interest on 30 March 2022	1 656	10 284	10 274
Acquisition of subsidiary (note 21)	(1 656)	-	-
Carrying value	-	10 284	10 274
Shares acquired	-	4 500	4 500
Loan advance	-	8 243	8 353
Total share of comprehensive loss from joint venture	-	(2 459)	(2 579)
Total investment	-	10 284	10 274

The Company provided funding of US\$8.5 million (including accrued interest) (31 March 2021: US\$8.2 million and 30 September 2021: US\$8.4 million) to Karo Mining as a repayable debt facility. The loan, subsequently transferred and held through a wholly-owned subsidiary Arxo Finance plc, was previously classified as part of the investment in Karo Mining. At 30 March 2022, the Group reclassified the loan to other financial assets and consequently at 31 March 2022 the loan was eliminated on consolidation.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
for the period ended 31 March 2022

**12. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD**

	31 March 2022 Reviewed US\$'000	31 March 2021 Reviewed US\$'000	30 September 2021 Audited US\$'000
<b>Summarised consolidated financial information of Karo Mining</b>			
<b>Summarised statement of financial position*</b>			
Non-current assets	1 659	199	207
Current assets (excluding cash and cash equivalents)	339	804	360
Cash and cash equivalents	4 984	219	54
Loan payable	(8 466)	(8 876)	(8 353)
Other financial liabilities	(17 879)	-	-
Trade and other payables and income tax payable	(3 741)	(1 523)	(1 892)
Net deficit (100%)	(23 104)	(9 177)	(9 624)
<b>Summarised statement of comprehensive income*</b>			
Operating expenses	(444)	(369)	(696)
Option granted to NCI to call upon shares in Karo Platinum (Private) Limited	(17 879)	-	-
Finance costs	(112)	(112)	(223)
Tax	(10)	(10)	(19)
Total comprehensive loss	(18 445)	(491)	(938)
<b>Summarised statement of changes in equity*</b>			
Opening balance	(9 624)	(8 686)	(8 686)
Shares issued during the period	4 965	-	-
Net loss for the period/year	(18 445)	(491)	(938)
Balance at the end of the period/year	(23 104)	(9 177)	(9 624)

\* Balances are reflected at 30 March 2022 immediately prior to the acquisition of a controlling shareholding in Karo Mining.

**13. FINANCIAL AND OTHER ASSETS**

		31 March 2022 Reviewed US\$'000	31 March 2021 Reviewed US\$'000	30 September 2021 Audited US\$'000
<b>Non-current assets</b>				
<i>Financial assets</i>				
Investments in money markets, current accounts, cash funds and income funds	Level 2	7 271	7 711	7 702
Right to acquire shares in Karo Platinum (Private) Limited	Level 3	-	1 324	5 870
<i>Other assets</i>				
Prepaid investment in Karo Platinum (Private) Limited	Amortised cost	-	1 353	2 282
		7 271	10 388	15 854
<b>Current assets</b>				
<i>Financial assets</i>				
Forward exchange contracts	Level 2	496	283	-
Investments in equity instruments	Level 1	16	17	18
Discount facility	Level 2	-	-	3 023
		512	300	3 041

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
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**13. FINANCIAL AND OTHER ASSETS (continued)**

**Right to acquire shares in Karo Platinum (Private) Limited ('Karo Platinum') and prepaid investment in Karo Platinum**

The Company was granted an option to acquire up to 40% of the issued share capital of Karo Platinum, a company incorporated in Zimbabwe, at a discount to the market value. The asset represented the fair value gain (50% discount to the market value as the project was at a measured resource and reserve stage) of the discount to the purchase price.

As part of the evaluation of the right to acquire shares in Karo Platinum, the Company incurred exploration and evaluation costs which were capitalised as a prepaid investment in Karo Platinum.

Effective 30 March 2022, the option to acquire shares in Karo Platinum was restructured and replaced by an agreement whereby the Company acquired a controlling interest in Karo Mining Holdings Limited at a discount to the fair value (refer to note 21). Karo Mining Holdings Limited (a company incorporated in Cyprus), owns 100% of the issued share capital of Karo Zimbabwe Holdings (Private) Limited which prior to the acquisition held 100% of the issued share capital of Karo Platinum. Refer to note 21 for Karo Mining Holdings Limited's list of subsidiaries at 31 March 2022. At 30 March 2022, the right to acquire shares in Karo Platinum was derecognised through profit or loss and the prepaid investment in Karo Platinum was capitalised to the cost of the investment in Karo Mining Holdings subsidiary in the Company's separate financial statements.

**14. INVENTORIES**

	<b>31 March 2022 Reviewed US\$'000</b>	31 March 2021 Reviewed US\$'000	30 September 2021 Audited US\$'000
Finished products	24 141	11 835	15 972
Ore stockpile	22 069	6 530	17 553
Consumables	28 264	25 501	25 533
	<b>74 474</b>	43 866	59 058
Impairment and net realisable value write down	<b>(613)</b>	(361)	(789)
Total carrying amount	<b>73 861</b>	43 505	58 269

Inventories are stated at the lower of cost or net realisable value. Low-grade chrome concentrates to the value of US\$1.9 million (31 March 2021: no write down; 30 September 2021: US\$1.2 million) are carried at the realisable value after a net realisable value write down of US\$0.1 million (31 March 2021: no write down and 30 September 2021: US\$0.1 million). The net realisable write down was allocated to the chrome segment.

Certain PGM finished products are provided for in full. The write down during the period ended 31 March 2022 amounts to US\$0.5 million (31 March 2021: no write down; 30 September 2021: US\$0.7 million). The provision and the net realisable value write down were allocated to the PGM segment. In addition, certain consumables and spares were provided for during the period ended 31 March 2021 (US\$0.4 million) as their operational use became doubtful. The provision was allocated 80.0% and 20.0% to the PGM and chrome operating segments respectively.



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
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**15. TRADE AND OTHER RECEIVABLES**

	<b>31 March 2022 Reviewed US\$'000</b>	31 March 2021 Reviewed US\$'000	30 September 2021 Audited US\$'000
Trade receivables	41 406	23 514	33 596
PGM discounting receivable	117 841	109 521	77 286
<b>Total trade receivables</b>	<b>159 247</b>	<b>133 035</b>	<b>110 882</b>
Other receivables – related parties (refer to note 23)	26	1 661	1 951
Deposits, prepayments and other receivables	8 187	9 104	8 901
Accrued income	5 538	2 234	2 902
Value added tax receivable (VAT)	10 704	9 030	11 918
	<b>183 702</b>	<b>155 064</b>	<b>136 554</b>

The fair value of trade and other receivables measured at amortised cost approximate the carrying amount due to the short-term maturity. The fair value of the PGM discounting receivable is determined on ruling quoted market prices and exchange rates.

Trade and other receivables of the Group are expected to be recoverable within one year from each reporting date. Trade receivables are unsecured, non-interest bearing and payment terms vary from 0 to 120 days (31 March 2021 and 30 September 2021: 0 to 120 days). An expected credit loss allowance of US\$0.1 million was recognised during the period ended 31 March 2022 (period ended 31 March 2021: no loss allowance and year ended 30 September 2021: US\$0.1 million). The expected credit loss allowance relates to the chrome and manufacturing segments, is customer specific and is based on the respective customer's observable current financial position. No impairment of trade receivables was recognised during the periods and year ended 31 March 2022, 31 March 2021 and 30 September 2021 respectively.

The table below summarises the maturity of trade receivables:

	<b>31 March 2022 Reviewed US\$'000</b>	31 March 2021 Reviewed US\$'000	30 September 2021 Audited US\$'000
Current	159 069	132 662	109 986
Less than 90 days past due but not impaired	50	25	53
Greater than 90 days past due but not impaired	128	348	843
	<b>159 247</b>	<b>133 035</b>	<b>110 882</b>

At 31 March 2022, the Group had certain unresolved tax matters. Included in the VAT receivable is an amount of US\$5.6 million (31 March 2022, 31 March 2021 and 30 September 2021: ZAR82.3 million) which relates to diesel rebates receivable from the South African Revenue Service ('SARS') in respect of the mining operations. SARS rejected diesel claims relating to the periods from September 2011 to April 2017 (US\$3.7 million) and May 2017 to February 2018 (US\$1.9 million). On 27 February 2020, a Founding Affidavit was filed with the High Court of South Africa. The Group filed a supplementary affidavit to re-inforce its position, to which SARS had a period of 15 days to respond to.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
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**16. CASH AND CASH EQUIVALENTS**

	<b>31 March 2022 Reviewed US\$'000</b>	31 March 2021 Reviewed US\$'000	30 September 2021 Audited US\$'000
Bank balances	71 112	72 436	72 945
Short-term bank deposits	30 350	342	10 491
	<b>101 462</b>	<b>72 778</b>	<b>83 436</b>
The credit exposure by country is as follows:			
South Africa	57 005	42 680	55 669
Hong Kong	30 294	10 866	18 831
Mauritius	9 680	13 417	1 017
United Kingdom	597	2 038	2 338
Zimbabwe	690	2	1 385
Cyprus	2 989	3 407	3 872
Other countries	207	368	324
	<b>101 462</b>	<b>72 778</b>	<b>83 436</b>
The credit exposure by bank and credit ratings are as follows:			
Nedbank	BB-	35 857	37 902
HSBC	A+	30 303	10 870
Bank of China	A	4 952	2 725
Bank of Cyprus	B-	7 972	3 407
Citibank	A	2 713	3 599
Stanlib Corporate Money Market	AA+	9 513	-
Absa	BB-	9 919	13 878
Other	A to BB-	233	397
		<b>101 462</b>	<b>72 778</b>
			<b>83 436</b>

The amounts reflected approximate fair value.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are generally call deposit accounts and earn interest at the respective short-term deposit rates.

An amount of US\$1.0 million was provided as security for a bank guarantee issued in favour of a trade creditor of a subsidiary of the Group and US\$0.3 million was provided as security against certain credit facilities of the Group at 31 March 2022, 31 March 2021 and 30 September 2021.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
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**17. SHARE CAPITAL AND RESERVES**

Share capital	31 March 2022 Reviewed		31 March 2021 Reviewed		30 September 2021 Audited	
	Number of Shares	US\$'000	Number of Shares	US\$'000	Number of Shares	US\$'000
<b>Authorised – ordinary shares of US\$0.001 each</b>	<b>10 000 million</b>	<b>10 000</b>	10 000 million	10 000	10 000 million	10 000
<b>Authorised – convertible redeemable preference shares of US\$1 each</b>	<b>1 051</b>	<b>1</b>	1 051	1	1 051	1
<b>Issued</b>						
<b>Ordinary shares</b>						
Balance at the beginning of the period/year	275 000 000	275	275 000 000	275	275 000 000	275
Issued to non-controlling shareholders	10 695 187	11	-	-	-	-
Balance at the end of the period/year	<b>285 695 187</b>	<b>286</b>	275 000 000	275	275 000 000	275
<b>Treasury shares</b>						
Balance at the beginning of the period/year	3 715 621	4	6 523 686	6	6 523 686	6
Transferred as part of employee share award plans	(380 689)	-	(583 617)	-	(2 808 065)	(2)
Balance at the end of the period/year	<b>3 334 932</b>	<b>4</b>	5 940 069	6	3 715 621	4
<b>Issued and fully paid</b>	<b>282 360 255</b>	<b>282</b>	269 059 931	269	271 284 379	271
<b>Share premium</b>						
Balance at the beginning of the period/year	271 284 379	289 547	268 476 314	286 660	268 476 314	286 660
Shares issued	11 075 876	20 429	583 617	524	2 808 065	2 887
Balance at the end of the period/year	<b>282 360 255</b>	<b>309 976</b>	269 059 931	287 184	271 284 379	289 547
<b>Total share capital and premium</b>		<b>310 258</b>		287 453		289 818

**Share capital**

During the period ended 31 March 2022, 10 695 187 new ordinary shares were issued to Thari Resources (Proprietary) Limited, a non-controlling shareholder of Tharisa Minerals (Proprietary) Limited, as consideration for the acquisition of 20.0% of the issued share capital of Tharisa Minerals (Proprietary) Limited. There were no allotments during the period and year ended 31 March 2021 and 30 September 2021 respectively.

During the period ended 31 March 2022, 380 689 (period ended 31 March 2021: 583 617 and year ended 30 September 2021: 2 808 065) ordinary shares were transferred from treasury shares to satisfy the vesting/exercise of Conditional Awards and Appreciation Rights by the participants of the Tharisa Share Award Plan.

All shares rank equally with regard to the Company's residual assets. The holders of ordinary shares, other than treasury shares, are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

**Share premium**

The share premium represents the excess of the issue price of ordinary shares over their nominal value, to the extent that it is registered at the Registrar of Companies in Cyprus, less share issue costs. The share premium is not distributable for dividend purposes.

The increase in the share premium account relates to the issue and allotment of ordinary shares granted in terms of the Share Award Plan and the issue to the non-controlling shareholder as detailed above.

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**17. SHARE CAPITAL AND RESERVES**

**Acquisition of non-controlling interest of Tharisa Minerals (Proprietary) Limited**

Effective 16 February 2022, the Company acquired 20.0% of the issued share capital of Tharisa Minerals (Proprietary) Limited ('Tharisa Minerals') for a purchase consideration of US\$19.9 million (ZAR300.0 million) from Thari Resources Proprietary Limited, a related party (refer to note 23). The purchase consideration was settled through the issue of 10 695 187 new ordinary shares in the Company. Post the acquisition, the Company owns 94.0% of the issued ordinary shares of Tharisa Minerals.

At the same time and subject to the fulfilment of certain conditions precedent, the Company agreed to purchase the remaining 6.0% of the issued ordinary shareholding of Tharisa Minerals from the non-controlling shareholder for a purchase consideration of US\$5.9 million (ZAR90.0 million) with the purchase consideration being settled through the issue of 3 208 556 new ordinary shares in the Company. The non-controlling shareholder is the Tharisa Community Trust.

At 31 March 2022, the conditions precedent had not been fulfilled and the transaction is not unconditional. Fulfilment of the conditions precedent are outside the control of the Group. Consequently, the Group has not accounted for the transaction at 31 March 2022 (refer to note 26).

	<b>31 March 2022 Reviewed US\$'000</b>
Shares issued as consideration	<b>19 908</b>
Reduction in non-controlling interest	<b>(11 437)</b>
Reduction to equity attributable to ordinary shareholders	<b>8 471</b>

**18. BORROWINGS**

	<b>31 March 2022 Reviewed US\$'000</b>	31 March 2021 Reviewed US\$'000	30 September 2021 Audited US\$'000
<i>Non-current</i>			
Asset backed facilities	<b>20 431</b>	14 486	17 258
Lease liabilities	<b>3 245</b>	2 385	2 273
Property loans	<b>635</b>	629	617
Loan from related party	<b>-</b>	529	442
	<b>24 311</b>	18 029	20 590
<i>Current</i>			
Asset backed facilities	<b>13 076</b>	9 462	11 227
Lease liabilities	<b>2 813</b>	4 146	3 112
Property loans	<b>48</b>	48	47
Loan from related party	<b>-</b>	771	100
Bank credit facilities	<b>34 294</b>	10 569	1 774
	<b>50 231</b>	24 996	16 260

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
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18. BORROWINGS	31 March 2022 Reviewed US\$'000	31 March 2021 Reviewed US\$'000	30 September 2021 Audited US\$'000
<b>Lease payments due:</b>			
Within one year	3 125	4 545	3 406
Two to five years	3 492	2 591	2 505
	<b>6 617</b>	7 136	5 911
Less future finance charges	(559)	(605)	(526)
Present value of minimum lease payments due	<b>6 058</b>	6 531	5 385
<b>Present value of minimum lease payments due:</b>			
Within one year	2 813	4 146	3 302
Two to five years	3 245	2 385	2 083
	<b>6 058</b>	6 531	5 385

The fair value of borrowings approximates its carrying amounts as the interest rates charged are variable and considered to be market related.

At 31 March 2022, the Group has unutilised borrowing facilities available of US\$30.4 million (31 March 2021: US\$8.9 million and 30 September 2021: US\$28.8 million).

**Asset backed facilities**

Asset backed facilities comprise of the equipment loan facility, the loan from Atrafin and the commercial asset finance. These facilities were disclosed on a disaggregated basis for the period ended 31 March 2021 and for the year ended 30 September 2021. Since the purpose of these facilities are similar in nature, all utilised for acquiring equipment which serves as security against these facilities, these facilities have in the current year been disclosed on an aggregated basis. The aggregation of the disclosure had no impact on the balance sheet at 31 March 2021 or at 30 September 2021 nor any impact on the net profit after tax and earnings per share for the period ended 31 March 2021 and for the year ended 30 September 2021.

	31 March 2022 Reviewed US\$'000	31 March 2021 Reviewed US\$'000	30 September 2021 Audited US\$'000
<b>Non-current</b>			
Equipment loan facility	16 489	14 486	14 307
Atrafin loan	2 492	-	2 951
Commercial asset finance	1 450	-	-
<b>Asset backed facilities</b>	<b>20 431</b>	14 486	17 258
<b>Current liabilities</b>			
Equipment loan facility	11 856	9 462	10 527
Atrafin loan	797	-	700
Commercial asset finance	423	-	-
<b>Asset backed facilities</b>	<b>13 076</b>	9 462	11 227

**Commercial Asset Finance**

Tharisa Minerals Proprietary Limited entered into a commercial asset finance facility with Absa Bank Limited to the value of US\$10.3 million (ZAR150.0 million) during the year ended 30 September 2021. The facility bears interest at the South African Prime rate less 125 basis points and is repayable monthly in arrears over 36 months. The equipment acquired by utilising this facility serves as security. In addition, Tharisa Minerals Proprietary Limited obtained a bank overdraft facility from Absa Bank Limited to the value of US\$10.3 million (ZAR150.0 million).

**Loan from related party**

The loan from related party arose as part of the business combination of Salene Chrome Zimbabwe (Private) Limited (refer to note 21). The loan was settled in full during the period ended 31 March 2022.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 31 March 2022

### 18. BORROWINGS (continued)

	Reviewed						31 March	30 September
	Asset backed facilities US\$'000	Lease liabilities US\$'000	Property loans US\$'000	Bank credit facilities US\$'000	Loan from related party US\$'000	Total US\$'000	2021 Reviewed US\$'000	2021 Audited US\$'000
<b>Balance 30 September 2021</b>	28 485	5 385	664	1 774	542	36 850	70 613	70 613
<b>Changes from financing cash flows</b>								
Advances: bank credit facilities	-	-	-	113 553	-	113 553	62 357	115 174
Repayment: bank credit facilities	-	-	-	(81 111)	-	(81 111)	(69 139)	(130 727)
Movement in bank credit facilities	-	-	-	32 442	-	32 442	(6 782)	(15 553)
Advances received	11 534	-	-	-	-	11 534	17 064	26 787
Repayment of borrowings	(6 682)	-	-	-	(500)	(7 182)	(41 056)	(48 208)
Lease payments	-	(2 113)	-	-	-	(2 113)	(2 402)	(4 597)
Repayment of interest	(537)	(216)	-	(78)	(42)	(873)	(884)	(2 031)
<b>Changes from financing cash flows</b>	<b>4 315</b>	<b>(2 329)</b>		<b>32 364</b>	<b>(542)</b>	<b>33 808</b>	<b>(34 060)</b>	<b>(43 602)</b>
<b>Foreign currency translation differences</b>	<b>1 032</b>	<b>180</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>1 231</b>	<b>6 025</b>	<b>6 202</b>
<b>Liability-related changes</b>								
Lease agreements entered into	-	2 591	-	-	-	2 591	1 271	2 354
Re-measurement of lease liabilities	-	2	-	-	-	2	(143)	214
Business combination (note 21)	-	-	-	-	-	-	529	529
Interest expense	594	241	-	156	-	991	1 399	2 330
Revaluation of foreign denominated loan	(919)	(12)	-	-	-	(931)	(2 609)	(1 790)
<b>Total liability-related changes</b>	<b>(325)</b>	<b>2 822</b>		<b>156</b>	<b>-</b>	<b>2 653</b>	<b>447</b>	<b>3 637</b>
<b>Balance at 31 March 2022</b>	<b>33 507</b>	<b>6 058</b>	<b>683</b>	<b>34 294</b>	<b>-</b>	<b>74 542</b>	<b>43 025</b>	<b>36 850</b>
Non-current borrowings	20 431	3 245	635	-	-	24 311	18 029	20 590
Current borrowings	13 076	2 813	48	34 294	-	50 231	24 996	16 260
<b>Total borrowings</b>	<b>33 507</b>	<b>6 058</b>	<b>683</b>	<b>34 294</b>	<b>-</b>	<b>74 542</b>	<b>43 025</b>	<b>36 850</b>

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## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 31 March 2022

### 19. OTHER FINANCIAL LIABILITIES

	<i>Fair value hierarchy</i>	<b>31 March 2022 Reviewed US\$'000</b>	31 March 2021 Reviewed US\$'000	30 September 2021 Audited US\$'000
<b>Non-current liabilities</b>				
Option granted to NCI to call upon shares in Karo Platinum (Private) Limited	Level 3	17 879	-	-
<b>Current liabilities</b>				
Discount facility	Level 2	1 591	5 989	-
Forward exchange contracts	Level 2	-	-	485
		<b>1 591</b>	<b>5 989</b>	<b>485</b>

#### Option granted to NCI to call upon shares in Karo Platinum (Private) Limited (refer to note 21)

As part of the Amendment to the Project Framework Agreement, the Republic of Zimbabwe has an option to increase its shareholding in Karo Platinum (Private) Limited ('Karo Platinum') by 11.0% exercisable after 24 months of the signing of the Amendment dated 30 March 2022, but before 36 months, payable in cash at the current net present value of Karo Platinum. The increase in the shareholding may, at the election of Karo Mining Holdings, be affected either through a sale of shares in Karo Platinum by Karo Zimbabwe Holdings (Private) Limited or by means of a share subscription by the Republic of Zimbabwe. This shareholding will not be on a free funded carry basis.

### 20. TRADE AND OTHER PAYABLES

	<b>31 March 2022 Reviewed US\$'000</b>	31 March 2021 Reviewed US\$'000	30 September 2021 Audited US\$'000
Trade payables	34 452	24 273	44 467
Accrued expenses	27 112	17 187	22 767
Leave pay accrual	5 388	4 989	5 328
Value added tax payable	2 143	1 704	261
Provision for mining royalty	46 310	26 641	30 953
Other payables – related parties (note 23)	29 556	3 405	509
Other payables	195	113	281
	<b>145 156</b>	<b>78 312</b>	<b>104 566</b>
Trade payables denominated in foreign currency balances were as follows:			
US\$	1 185	811	94
ZAR	33 254	23 428	44 366
EUR	4	18	3
GBP	9	16	4
	<b>34 452</b>	<b>24 273</b>	<b>44 467</b>

The amounts above are unsecured, non-interest bearing and payable within one year from the reporting period. The amounts reflected above approximate fair value, due to the short-term thereof.



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
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**21. BUSINESS COMBINATION**

**Acquisition of Karo Mining Holdings Limited**

Effective 30 March 2022, the Group acquired an additional 37.96% of the issued share capital of Karo Mining Holdings Limited ('Karo Mining'), a company incorporated in Cyprus. Following the acquisition of the controlling interest in Karo Mining, the Group's shareholding in Karo Mining at 31 March 2022 is 66.34%.

The additional 37.96% of the issued share capital of Karo Mining was acquired from the Leto Settlement, a related party (refer to note 23) for a purchase consideration of US\$29.4 million. The purchase consideration will be settled through the issue of 13 693 000 new ordinary shares of the Company to the Leto Settlement. The Group has determined that the acquisition of Karo Mining represents a business and has accordingly accounted for the acquisition as a business combination in terms of IFRS 3.

At 31 March 2022 the Company has not issued the 13 693 000 new ordinary shares to the Leto Settlement. An accrual equal to the purchase consideration was raised and is reflected in trade and other payables to related parties (refer to note 23). At 30 March 2022, all regulatory approvals were obtained, agreements were concluded and conditions precedent to the transaction had been fulfilled. The Group believes that there were no substantive barriers present that could have prevented the transaction from becoming unconditional.

The Group assessed that at 30 March 2022 it exercises control over Karo Mining. The Group concluded that it has power over Karo Mining as the Group has the ability to appoint the majority of the board of directors of Karo Mining, owns the majority of the issued share capital and has the majority of the decision making rights over relevant activities. At 31 March 2022, the Group is exposed and has the right to variable returns from Karo Mining which results from its 66.34% shareholding and has the ability to use the shareholding to affect its return on its investment. The Group controls the development activities and is actively involved with the development of Karo Mining and more specifically Karo Platinum.

Effective 30 March 2022, the Investment Project Framework Agreement entered into between the Republic of Zimbabwe and the Leto Settlement was amended by changing the shareholding in Karo Platinum (Private) Limited ('Karo Platinum'), an indirect subsidiary of Karo Mining to 85.0% by Karo Zimbabwe Holdings (Private) Limited and 15.0% by the Republic of Zimbabwe, on a free funded carry basis. Before the amendment, the Republic of Zimbabwe was entitled to a 50.0% shareholding in Karo Platinum. The remaining entities are all indirect wholly-owned subsidiaries of Karo Mining.

The table below details Karo Mining's interest in subsidiaries as at 31 March 2022 (collectively referred to as 'Karo Group'):

<b>Company name</b>	<b>Effective interest</b>	<b>Country of incorporation and principal place of business</b>	<b>Principal activity</b>
Karo Zimbabwe Holdings (Private) Limited	100%	Zimbabwe	Investment holding
Karo Platinum (Private) Limited*	85%	Zimbabwe	Platinum mining
Karo Coal Mines (Private) Limited	100%	Zimbabwe	Coal
Karo Power Generation (Private) Limited	100%	Zimbabwe	Power generation
Karo Refinery (Private) Limited	100%	Zimbabwe	PGM smelting and refining

\*At 31 March 2022 the shares equalling 15.0% of the issued share capital of Karo Platinum has not been transferred to the Republic of Zimbabwe. Similarly, the Company's shares to be issued as purchase consideration for the acquisition of Karo Mining had not been issued. The Group believes that there are no substantive barriers preventing the shares from being transferred. Consequently, the 15.0% shareholding of the Republic of Zimbabwe has been accounted for in the acquisition accounting of Karo Mining and subsidiaries.

Refer to note 12 for a summary of Karo Group's statement of profit or loss for the period ended 31 March 2022 which would have been consolidated if the acquisition had taken place as at 1 October 2021. Since the effective acquisition date is 30 March 2022, the Karo Group's results have been consolidated within the Group's results. Up to the effective acquisition date the Karo Group's results were equity accounted at the Group's proportionate share in the investment (refer to note 12).

The transaction cost was US\$0.1 million which is classified as other operating expenses.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
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**21. BUSINESS COMBINATION (continued)**

**Acquisition of Karo Mining Holdings Limited (continued)**

The fair values of the net identifiable assets acquired were determined independently by using the sum of the parts methodology. The market multiple approach was used to determine the fair value of Karo Platinum (Private) Limited while the net asset value approach was used to determine the fair values of the remaining entities.

Due to the proximity of the acquisition to the interim reporting date and the complexity involved with regards to fair value determinations of the assets acquired and the consideration paid, the preliminary numbers will be finalised during the measurement period of twelve months from date of acquisition. The following table summarises the provisional fair value of the assets and liabilities of the Karo Group comprising Karo Mining and its subsidiaries:

31 March 2022 (Reviewed)	Fair value recognised on acquisition US\$'000
<b>Assets</b>	
Property, plant and equipment	203 409
Inventories	2
Trade and other receivables	337
Cash and cash equivalents	4 984
	<b>208 732</b>
<b>Liabilities</b>	
Borrowings	(8 466)
Other financial liabilities	(17 879)
Deferred tax	(30 263)
Tax liability	(6)
Trade and other payables	(3 735)
	<b>(60 349)</b>
Total identifiable net assets at fair value	148 383
Non-controlling interest	(66 181)
Total attributable assets acquired	82 202
<b>Consideration</b>	
Book value of existing shareholding (note 12)	(1 656)
Prepaid investment in Karo Platinum (Private) Limited (note 13)	(2 504)
Gain on acquisition: fair value of existing 28.38% shareholding	(33 503)
Gain on acquisition: purchase of shares at a discount	(15 094)
Total purchase price to be settled by the issue of ordinary shares	(29 445)
Net cash acquired	4 984
Cash inflow from business combination	4 984

The fair value of receivables acquired approximates their carrying amount due to the short-term nature thereof.

The purchase of shares at a discount represents a bargain purchase on the acquisition.

The non-controlling interest represents the proportionate share of the fair value of the net identifiable assets.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
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**22. FINANCIAL RISK MANAGEMENT**

**Fair values**

The Board of Directors considers that the fair values of significant financial assets and financial liabilities approximate their carrying values at each reporting date.

*Financial instruments carried at fair value:*

The following table presents the carrying values of financial instruments measured at fair value at the end of each reporting period across the three levels of the fair value hierarchy defined in IFRS 13, *Fair Value Measurement*, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The impact of COVID-19 and the geo-political conflict in Eastern Europe should already be priced into the inputs, which for the Group, mostly relates to commodity price risk used in the level 1 and 2 fair valuation techniques as determined by the market. The level 3 valuation techniques were adjusted internally by amending the cash flows associated with the discounted cash flow valuations.

Financial instrument	Fair value level	Fair value			Valuation technique and key inputs
		31 March 2022 Reviewed US\$'000	31 March 2021 Reviewed US\$'000	30 September 2021 Audited US\$'000	
<b>Financial assets measured at fair value</b>					
Investments in money markets, current accounts, cash funds and income funds	Level 2	7 271	7 711	7 702	Quoted market price for similar instruments
Right to acquire shares in Karo Platinum (Private) Limited	Level 3	-	1 324	5 870	Comparable company market multiple valuation and a Monte Carlo Simulation model
Discount facility	Level 2	-	-	3 023	Quoted market metal prices and exchange rate
Investments in equity instruments	Level 1	16	17	18	Quoted market price
Forward exchange contracts	Level 2	496	283	-	Quoted market closing exchange rates
<b>Trade and other receivables measured at fair value</b>					
PGM receivable	Level 2	117 841	109 521	85 472	Quoted market metal prices and exchange rate (refer below)
<b>Financial liabilities measured at fair value</b>					
Option granted to NCI to call upon shares in Karo Platinum (Private) Limited	Level 3	17 879	-	-	Discounted cash flow valuation and a Monte Carlo Simulation model
Discount facility	Level 2	1 591	5 989	-	Quoted market metal prices and exchange rate
Forward exchange contracts	Level 2	-	-	485	Quoted market closing exchange rates

There have been no transfers between fair value hierarchy levels in the current period.

The levels are defined as follows:

Level 1: fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments (highest level).

Level 2: fair values measured using quoted prices in active markets for similar financial instruments or using valuation methodologies in which all significant inputs are directly or indirectly based on observable market data.

Level 3: fair values measured using valuation methodologies in which any significant inputs are not based on observable market data.

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### 22. FINANCIAL RISK MANAGEMENT (continued)

Fair value gains and losses recognised in the financial instruments during the year:

	31 March 2022 Reviewed US\$'000	31 March 2021 Reviewed US\$'000	30 September 2021 Audited US\$'000
<b>Changes in fair value of financial assets at fair value through profit or loss</b>			
Investments in equity instruments	(2)	8	10
Investments in money markets, current accounts, cash funds and income funds	109	109	223
Discount facility	-	-	4 615
Forward exchange contracts	949	392	-
Right to acquire shares in Karo Platinum (Private) Limited	(5 870)	1 324	5 870
Option to acquire shares in Salene Chrome Zimbabwe (Private) Limited	-	(178)	(178)
	<b>(4 814)</b>	<b>1 655</b>	<b>10 540</b>
<b>Changes in fair value of financial liabilities at fair value through profit or loss</b>			
Discount facility	(1 769)	811	-
Forward exchange contracts	-	-	(370)
	<b>(1 769)</b>	<b>811</b>	<b>(370)</b>

#### Level 3: Option granted to NCI to call upon shares in Karo Platinum (Private) Limited ('Karo Platinum')

Refer to notes 19 and 21. The Republic of Zimbabwe has an option to increase its shareholding in Karo Platinum by 11.0% exercisable after 24 months from 30 March 2022, but before 36 months, payable in cash at the current net present value of Karo Platinum.

The option represents a financial instrument which is recognised at fair value through profit or loss. At 31 March 2022, the Group completed an independent reviewed valuation of Karo Platinum. In determining the fair value, the discounted cash flow valuation technique was used. The following significant inputs were used in determining the fair value:

Mineral Resource Category	Total tonnage in Resource area (Mt)	4E Grade (g/t)	6E Grade (g/t)
Proven and probable	35.5	2.18	2.31
Indicated	39.0	1.88	2.01
Inferred	68.0	1.91	2.04
<b>Combined</b>	<b>142.5</b>	<b>1.90</b>	<b>2.02</b>

Platinum price	US\$/oz	1 035
Palladium price	US\$/oz	2 106
Rhodium price	US\$/oz	16 976
Gold price	US\$/oz	1 836
Ruthenium price	US\$/oz	506
Iridium price	US\$/oz	4 887

Mt:	million tonnes
4E	Represents Platinum, Palladium, Rhodium and Gold
6E	Represents 4E and Ruthenium and Iridium

The Monte-Carlo simulation was used in determining the fair value of Karo Platinum at the end of the 36-month period (31 March 2025). The following significant inputs were used:

Valuation of 11.0% of Karo Platinum at 31 March 2022:	US\$56.0 million	Comparable company valuation technique
Volatility:	4.5%	Sector volatility (converted to monthly)
Drift:	1.2%	Risk free rate (converted to monthly)
Time step:	1.0	Annual time intervals
Discount rate:	1.08%	Converted to monthly

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for the period ended 31 March 2022

### 22. FINANCIAL RISK MANAGEMENT (continued)

#### Level 3: Option granted to NCI to call upon shares in Karo Platinum (continued)

The fair value was determined at the end of the 36-month period. The fair value exceeded the strike price, which resulted in the recognition of a financial liability.

Calculated fair value of the option at 31 March 2022: US\$17.9 million

The fair value expense was recognised in the profit or loss of Karo Zimbabwe Holdings (Private) Limited immediately prior to the acquisition of the controlling interest in Karo Mining Holdings Limited by the Group. The Group's proportionate share of the expense is classified in the share of loss of investment accounted for using the equity method in the statement of profit or loss. A sensitivity analysis was performed on the fair value of the option:

Sensitivity	Option value (US\$'million)	(Decrease)/increase in profit and loss and equity (US\$'000)
Increase in discount rate – 5.0%	18.2	(91)
Decrease in discount rate – 5.0%	17.5	108
Increase in volatility – 10.0%	17.4	136
Decrease in volatility – 10.0%	17.6	79

### 23. RELATED PARTY TRANSACTIONS AND BALANCES

	31 March 2022 Reviewed US\$'000	31 March 2021 Reviewed US\$'000	30 September 2021 Audited US\$'000
<b>Loans receivable</b>			
Karo Mining Holdings Limited (refer to note 21)	-	8 243	8 353
<b>Trade and other receivables</b> (note 15)			
Thys and Alta Steenkamp*	-	192	188
The Tharisa Community Trust	-	5	65
Rocasize Proprietary Limited	11	2	3
Karo Mining Holdings Limited	-	717	796
Karo Zimbabwe Holdings (Private) Limited	-	276	321
Karo Platinum (Private) Limited	-	314	417
Karo Power Generation (Private) Limited	-	140	146
Salene Mining Proprietary Limited	15	15	15
	<b>26</b>	<b>1 661</b>	<b>1 951</b>
<b>Trade and other payables</b> (note 20)			
The Leto Settlement (refer to note 21)	29 445	3 000	-
Karo Mining Holdings Limited	-	136	-
Karo Zimbabwe Holdings (Private) Limited	-	126	315
Karo Platinum (Private) Limited	-	29	29
Rocasize Proprietary Limited	1	4	55
	<b>29 446</b>	<b>3 295</b>	<b>399</b>
<b>Amounts due to Directors</b>			
A Djakouris	17	21	21
J Salter	21	24	23
O Kamal	13	13	13
C Bell	22	17	17
R Davey	19	16	16
Z Hong	9	9	10
V Chu	-	5	-
Lo Wai Man	9	5	10
	<b>110</b>	<b>110</b>	<b>110</b>
<b>Total other payables</b>	<b>29 556</b>	<b>3 405</b>	<b>509</b>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 31 March 2022

### 23. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

	Period ended 31 March 2022 Reviewed US\$'000	Period ended 31 March 2021 Reviewed US\$'000	Year ended 30 September 2021 Audited US\$'000
<b>Revenue</b>			
Salene Manganese Proprietary Limited	1 068	-	420
Karo Platinum (Private) Limited	-	5	5
<b>Cost of sales</b>			
Rocasize Proprietary Limited	151	234	511
<b>Other income</b>			
Rocasize Proprietary Limited	10	7	9
<b>Consulting fees received</b>			
Rocasize Proprietary Limited	3	6	14
Salene Chrome Zimbabwe (Private) Limited (before acquisition)	-	54	54
Karo Mining Holdings Limited	6	-	-
Karo Platinum (Private) Limited	191	80	183
Karo Power Generation (Private) Limited	7	5	10
Karo Zimbabwe Holdings (Private) Limited	29	5	10
<b>Rent paid</b>			
PCMQ Proprietary Limited	-	15	23
Thys & Alta Properties Proprietary Limited	-	8	9
<b>Interest receivable</b>			
Karo Mining Holdings Limited	112	111	222
<b>Interest paid</b>			
The Leto Settlement	13	-	-
Ross Two-10-Properties Proprietary Limited	-	6	11
Thys & Alta Properties Proprietary Limited	-	-	4
Rohcon Engineering Proprietary Limited	-	6	14
<b>Dividends paid</b>			
Thari Resources Proprietary Limited	-	-	845
The Tharisa Community Trust	169	-	253

\* The Group previously disclosed a trade and other receivable from Thys and Alta Steenkamp and property loans payable to Ross Two-10-Properties Proprietary Limited, Rohcon Engineering Proprietary Limited, PCMQ Proprietary Limited and Thys & Alta Properties Proprietary Limited. These related party relationships have ceased.

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**23. RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

**Compensation to key management:**

Period ended 31 March 2022 (Reviewed)	Salary and fees US\$'000	Expense allowances US\$'000	Share-based payments US\$'000	Provident fund and risk benefits US\$'000	Bonus US\$'000	Total US\$'000
Non-Executive Directors	322	-	-	-	-	322
Executive Directors	856	4	-	38	107	1 005
Other key management	627	10	306	48	416	1 407
	<b>1 805</b>	<b>14</b>	<b>306</b>	<b>86</b>	<b>523</b>	<b>2 734</b>
Period ended 31 March 2021 (Reviewed)						
Non-Executive Directors	314	-	-	-	-	314
Executive Directors	817	4	-	41	201	1 063
Other key management	479	11	-	47	114	651
	<b>1 610</b>	<b>15</b>	<b>-</b>	<b>88</b>	<b>315</b>	<b>2 028</b>
Year ended 30 September 2021 (Audited)						
Non-Executive Directors	631	-	-	-	-	631
Executive Directors	1 622	8	3 315	82	356	5 383
Other key management	988	22	1 034	97	220	2 361
	<b>3 241</b>	<b>30</b>	<b>4 349</b>	<b>179</b>	<b>576</b>	<b>8 375</b>

Share-based awards to the Directors and to the key management for the year under review are as follows:

Period ended 31 March 2022 (Reviewed)	Opening balance	Inclusion of additional employee	Allocated	Vested	Forfeited	Total
<b>Ordinary shares</b>						
LTIP – executive directors	1 333 682	-	1 751 608	-	-	3 085 290
LTIP – key management	695 276	145 650	1 319 717	-	-	2 160 643
Period ended 31 March 2021 (Reviewed)						
Ordinary shares	Opening balance	Resignation	Allocated	Vested	Forfeited	Total
LTIP – executive directors	2 379 802	-	-	-	-	2 379 802
LTIP – key management	1 576 158	(272 700)	-	-	-	1 303 458
Year ended 30 September 2021 (Audited)						
<b>Ordinary shares</b>						
LTIP – executive directors	2 379 802	-	-	(1 046 120)	-	1 333 682
LTIP – key management	1 576 158	(272 700)	-	(608 182)	-	695 276



**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
for the period ended 31 March 2022

**23. RELATED PARTY TRANSACTIONS AND BALANCES (continued)**

No SARS were awarded during the period ended 31 March 2022.

Period ended 31 March 2021

(Reviewed) Ordinary shares	Opening balance	Resignation	Allocated	Vested	Forfeited	Total
SARS – executive directors	440 631	-	-	-	-	440 631
SARS – key management	293 919	(50 907)	-	-	-	243 012

Year ended 30 September 2021

(Audited)

Ordinary shares						
SARS – executive directors	440 631	-	-	(440 631)	-	-
SARS – key management	293 919	(50 907)	-	(243 012)	-	-

**Option to acquire shares in Salene Manganese Proprietary Limited**

On 9 July 2019, the Company was granted a call option to acquire a 70.0% shareholding in Salene Manganese Proprietary Limited ('Salene Manganese'), a company incorporated in South Africa. The purchase consideration to acquire 70.0% of the shareholding will be equal to 70.0% of the market value of Salene Manganese. Salene Manganese's principal activity is a manganese exploration and mining company. Salene Manganese purchased a Mining Right issued over the farm Macarthy 559, Kuruman district in South Africa. The Mining Right is for the mining of iron ore and manganese ore. At 31 March 2022, the call option had not yet been exercised. The call option is exercisable on or before 14 August 2022.

Management assessed the terms and conditions of this call option and considered whether potential voting rights in Salene Manganese from the future exercise of the option are substantive, as defined in IFRS 10. This assessment took into account, among others, a number of conditions precedent, including the current status of the Group's internal review and approval processes of the transaction, the status of the required internal Group approval, JSE Listings Requirements pertaining to related party transactions, as well as other regulatory approvals. Based on this evaluation, management concluded that the Group did not control Salene Manganese, nor did it have the ability to exercise the right as at 31 March 2022.

**Relationships between parties:**

*Thari Resources Proprietary Limited*

A former shareholder of Tharisa Minerals Proprietary Limited, refer to note 17.

*The Tharisa Community Trust and Rocasize Proprietary Limited*

The Tharisa Community Trust is a shareholder of Tharisa Minerals Proprietary Limited and owns 100% of the issued ordinary share capital of Rocasize Proprietary Limited.

*Salene Manganese Proprietary Limited and Salene Mining Proprietary Limited*

A director of the Company is also a director of these companies.

*The Leto Settlement*

The beneficial shareholder of Medway Developments Limited, a material shareholder in the Company.

*Karo Mining Holdings Limited, Karo Zimbabwe Holdings (Private) Limited, Karo Platinum (Private) Limited and Karo Power Generation (Private) Limited*

The Company owned 26.8% of the issued share capital of Karo Mining Holdings Limited at 31 March 2021 and 30 September 2021. During the period ended 31 March 2022, the Company acquired a controlling interest in Karo Mining Holdings Limited. Refer to note 21.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the period ended 31 March 2022

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### 24. CONTINGENT LIABILITIES

#### Diesel rebates

At 31 March 2022, the Group had certain unresolved tax matters. Included in the VAT receivable, is an amount of US\$5.6 million (ZAR82.3) million which relates to diesel rebates receivable from the South African Revenue Service ('SARS') in respect of the mining operations. SARS rejected diesel claims relating to the periods from September 2011 to April 2017 (US\$3.7 million) and May 2017 to February 2018 (US\$1.9 million). The Group is taking the necessary action to recover the amount due.

#### Mining royalty

The Group has objected and appealed to the assessments issued by SARS imposing an additional mining royalty in relation to the 2015 and 2017 years of assessment in an amount of US\$7.0 million (ZAR102.3 million) (inclusive of penalties and interest). Due to the technical nature of the matter at hand, the matter underwent two separate Alternate Dispute Resolution processes and the matter is now set to be heard at the tax court on a yet to be determined date. SARS increased the gross sales value of the PGM sales to the minimum specified condition (of 150 parts per million) as set out in the legislation by adjusting the average PGM grade on a linear basis. SARS did not take into account the increase in the associated costs to bring the concentrate to the minimum specified condition whether on a linear basis or otherwise. This is inconsistent with both past practice by SARS and industry applied norms. The Group objected and appealed against the assessment on the basis that it is not in terms of the applicable legislation and is currently engaged in the tax court process to have the matter resolved. The Group, together with its legal adviser, has re-assessed the basis on which it is liable for payment of the mining royalty challenging both the linear basis of grossing up the sales value and determining the incremental costs which would be incurred in bringing the concentrate to the minimum specified standard.

In the event that SARS would be successful, the Group estimates the incremental mining royalty for assessments for the period up to 31 March 2022 to be US\$20.4 million (ZAR312.9 million) (30 September 2021 to be US\$17.2 million (ZAR250.9 million)), with the amount net of tax estimated to be US\$12.4 million (ZAR180.6 million). If the Group is successful with a favourable outcome of calculating the mining royalty on the re-assessed basis, it would result in a refund of past royalty payments with a net inflow to the Group.

The principles being applied have not been tested by either SARS or the judiciary and there is therefore uncertainty on the possible outcome of the legal process which could lead to an outflow (royalty payable to SARS) or inflow (amount recovered by the Group from SARS). Furthermore, the time period to reach finality may be protracted. Accordingly, no estimate of the contingent amount receivable has therefore been made.

#### Rehabilitation provision

The Group's mining and exploration activities are subject to extensive environmental laws and regulations. The Group has made, and expects to make in the future, expenditures to comply with such laws and regulations, but cannot predict the full amount of such future expenditures. Estimated future rehabilitation costs are based principally on legal and regulatory requirements. Tharisa Minerals Proprietary Limited's approved Environmental Management Programme ('EMPr') commits the company to completely backfill the pit voids to natural ground level and restore the pre-mining land potential, namely agricultural land with grazing and wilderness capabilities. The company has evaluated alternative mine closure strategies building on the establishment of a post-mining economy with socio-economic benefits. An amended application has been submitted to the Department of Mineral Resources and Energy ('DMRE') seeking its approval for a backfill of the pit voids concurrent with mining only, also called in-pit dumping, which results in a partial void and associated pit lake which is profiled and 'made safe' before rehabilitation of the surface with the residual waste rock stockpiles remaining on surface ('pit-lake option'). In conjunction with the submission of this application, the Company has also engaged with the relevant government departments to ensure their support for this submission. This application has been submitted supported by the necessary specialty studies. As there is uncertainty as to the successful outcome of the application, the company has applied a probability weighted factor in calculating the mine closure liability applying a 60% probability to the successful approval of the pit-lake option. In the alternative, the company has applied a 40% probability to an alternative 'make safe' option with the partial backfilling of the pit whereby the walls of the pit will be profiled at 24 degrees and, with the passage of time, result in a pit-lake forming in the void. The rehabilitation expense and provision has been accounted for on this basis. The company is confident of the successful outcome in its engagement with the DMRE. No adjustment for any effects on the company that may result from a complete backfill of the voids, if any, has been made in the financial statements. It is not possible to determine and measure any additional requirements that may be required as the amended EMP is at an advanced stage through the various approval levels, hence no provision has been made for these potential additional requirements.

#### Other

As at 31 March 2022, there is no litigation (31 March 2021 and 30 September 2021: no litigation), current or pending, which is considered likely to have a material adverse effect on the Group. Refer to note 25 for guarantees.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 31 March 2022

### 25. CAPITAL COMMITMENTS AND GUARANTEES

	31 March 2022 Reviewed US\$'000	31 March 2021 Reviewed US\$'000	30 September 2021 Audited US\$'000
<b>Capital commitments</b>			
Authorised and contracted	41 049	43 627	30 639
Authorised and not contracted	2 712	4 000	1 298
	<b>43 761</b>	<b>47 627</b>	<b>31 937</b>

The commitments are with respect to property, plant and equipment and are outstanding at the respective reporting period. All contracted amounts will be funded through existing funding mechanisms within the Group and cash generated from operations. Balances denominated in currencies other than the US\$ were converted at the closing rates of exchange ruling at each respective reporting period.

#### Guarantees

The Company has issued various guarantees to financiers and major suppliers of the Group securing debt facilities and credit lines available to the Company's subsidiaries. No additional guarantees to the existing guarantees at 30 September 2021 were issued during the period ended 31 March 2022.

### 26. EVENTS AFTER THE REPORTING PERIOD

On 8 April 2022, the Company issued 13 693 000 new ordinary shares to the Leto Settlement as consideration for the acquisition of Karo Mining Holdings Limited (refer to note 21).

On 20 May 2022, the conditions precedent to the acquisition of the 6.0% of the issued share capital of Tharisa Minerals Proprietary Limited from a non-controlling shareholder, the Tharisa Community Trust, have been fulfilled (refer to note 17). At the date of this report, the shares as consideration for the acquisition have not been issued yet.

The Board of Directors is not aware of any matter or circumstance arising since the end of the financial year that will impact these financial results.

### 27. DIVIDENDS

During the period ended 31 March 2022, the Company declared and paid a final dividend of US\$ 5.0 cents per share in respect of the financial year ended 30 September 2021.

A subsidiary of the Company, Tharisa Minerals Proprietary Limited, declared and paid an ordinary dividend of US\$2.8 million (period ended 31 March 2021: no dividend and year ended 30 September 2021: US\$4.2 million) during the period ended 31 March 2022. The dividend paid to non-controlling shareholders amounted to US\$0.1 million (period ended 31 March 2021: no dividend and year ended 30 September 2021: US\$1.1 million).

During the period ended 30 September 2021, the Company declared and paid a final dividend of US\$ 3.5 cents per share in respect of the financial year ended 30 September 2020. In addition, an interim dividend of US\$ 4.0 cents per share was declared and paid in respect of the financial year ended 30 September 2021.

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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).