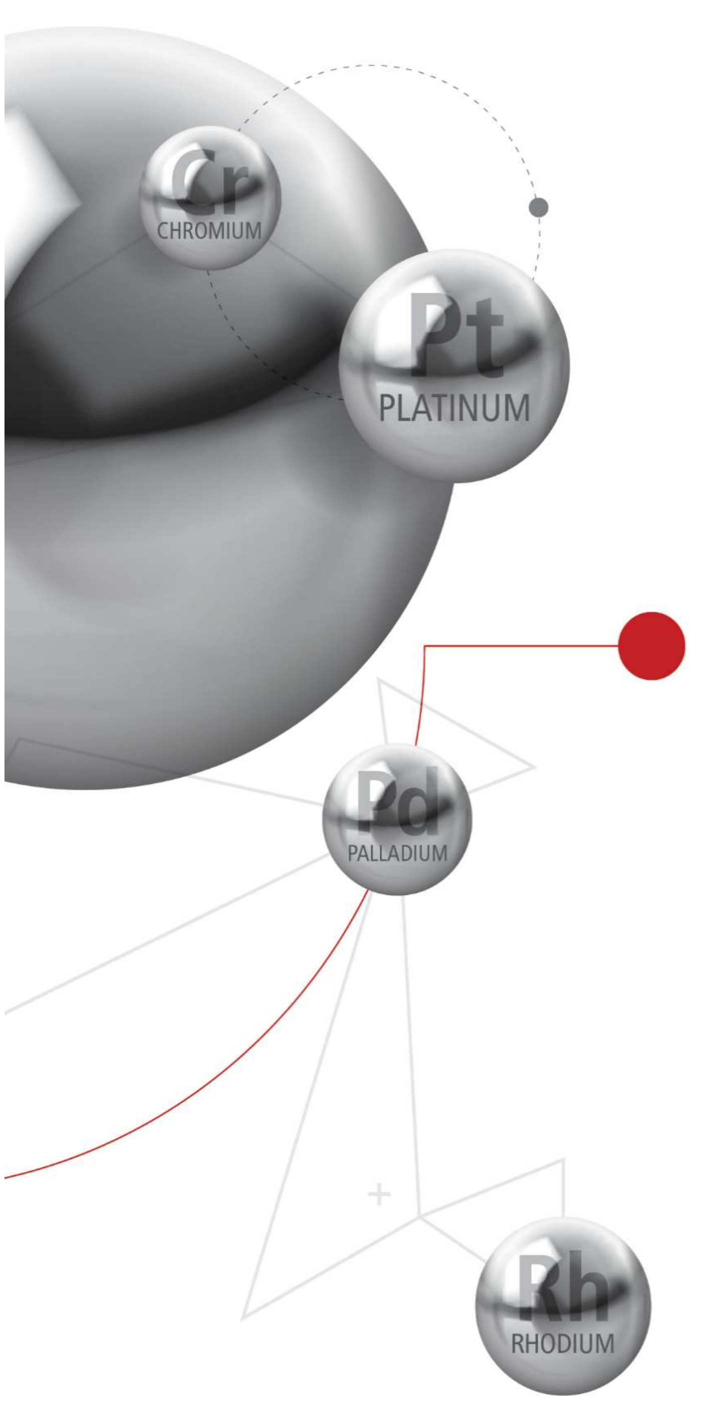

tharisa

REPORTS AND
CONSOLIDATED FINANCIAL STATEMENTS
30 September 2023

enriching lives through innovating the resources company of the future

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MANAGEMENT REPORT
for the year ended 30 September 2023

The Board of Directors of Tharisa plc ('the Company' or 'Tharisa') presents to the Members its management report together with the audited consolidated financial statements of the Company and its subsidiaries (together with the Company, 'the Group') and the Company financial statements for the year ended 30 September 2023.

The Company is a Cypriot incorporated public company with a primary listing on the main board of the Johannesburg Stock Exchange, a secondary standard listing on the main board of the London Stock Exchange and a secondary listing on the A2X Exchange in South Africa. The Group's consolidated financial statements and Company financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of an investment holding company with controlling interests in platinum group metals ('PGM') and chrome mining & processing and associated sales and logistics operations. The principal activity remains unchanged from the previous year. Its major investment is its wholly-owned subsidiary, Tharisa Minerals Proprietary Limited ('Tharisa Minerals'). Tharisa Minerals owns and operates the Tharisa Mine, an open pit PGM and chrome mine located in the Bushveld Complex of South Africa. In addition, the Company has a 75% shareholding in Karo Mining Holdings plc which has an indirect 85% interest in a development stage PGM asset, located on the Great Dyke in Zimbabwe.

OPERATIONAL REVIEW

Operational highlights

- Lost Time Injury Frequency Rate ('LTIFR') of 0.11 per 200 000-man hours worked
- Chrome production at 1 580.1 kt (FY2022: 1 582.7 kt)
    - Average metallurgical grade chrome concentrate prices up 25.8% at US$263/t (FY2022: US$209/t)
- PGM production at 144.7 koz (FY2022: 179.2 koz)
    - Average PGM basket price retreated by 26.2% with average prices received at US$1 893/oz (FY2022: US$2 564/oz)
- The continued weakening of PGM prices and macro-economic factors has resulted in a prudent and strategic decision to extend the Karo Platinum Project timeline for commissioning by 12 months to June 2025, with the opportunity to accelerate the timeline as market conditions become more favourable
- Group cash on hand increased to US$269.0 million (including restricted cash) with debt of US$139.7 million, resulting in a net cash position of US$129.4 million
- Production guidance for FY2024 is set between 145 koz and 155 koz PGMs (6E basis) and 1.7 Mt to 1.8 Mt of chrome concentrates

Tharisa Minerals

Tharisa Minerals is wholly owned by the Company and is uniquely positioned as a significant co-producer of both PGMs and chrome concentrates. Tharisa Minerals' core asset is the Tharisa Mine, situated near the town of Rustenburg in the Northwest Province of South Africa on the Western Limb of the Bushveld Complex which is home to more than 70% of the world's platinum and chrome resources.

Tharisa Minerals holds a mining right over 5 475 ha of land. The mining right was granted on 19 September 2008 for an initial period of 30 years, providing access to five MG Chromitite Layers, which outcrop with a strike length of approximately 5 km. The mined reef is processed through innovative engineering at two separate integrated plants, extracting both PGMs and chrome concentrates. The plants have a similar process flow that includes crushing and grinding, primary removal of chrome concentrate by spirals, followed by PGM flotation from the chrome tails and a second spiral recovery of chrome from PGM tails. The primary chrome production is metallurgical grade which is used principally in the manufacture of stainless steel.

Operating in parallel, the separate plants provide processing flexibility and production stability by allowing one plant to be shut down without hampering the production of the other. The modular design of the processing circuits enables sections of the plant to be stopped without affecting the rest of the operation (i.e., a crushing circuit can be stopped independently of the milling, spiral and flotation circuits in events such as load curtailment). The unique Vulcan Plant processes the waste streams from the two primary plants for the extraction of ultra fine chrome and provides low cost chrome concentrate, lowering our unit cost and minimising our tailing footprint.

The combined co-product output reduces unit costs and positions Tharisa Minerals in the lower cost quartile of operating costs in South Africa for both PGMs and chrome concentrates.

Tharisa Minerals' low unit costs, operating flexibility and polymetallic products have ensured that it is well placed to manage commodity price volatility. Its dual revenue stream provides a natural hedge against different commodity cycles with the products used in diverse sector applications and geographics.

The Tharisa Mine is a world-class, long-life asset that underpins our business and will continue to provide a sustainable, low-cost platform for multiple generations to come.

Key Operating Numbers

		Year ended 30 Sep 2023	Year ended 30 Sep 2022	Year on year movement %
Reef mined	kt	**4 177.3**	5 505.4	(24.1)
PGMs produced (6E)	koz	**144.7**	179.2	(19.3)
PGMs sold (6E)	koz	**144.0**	168.3	(14.4)
Chrome concentrates produced (excluding third party)	kt	**1 580.1**	1 582.7	(0.2)
Chrome concentrates sold (excluding third party)	kt	**1 530.6**	1 526.0	0.3
Average PGM basket price	US$/oz	**1 893**	2 564	(26.2)
Average metallurgical grade chrome concentrate contract price	US$/t	**263**	209	25.8

The decline in reef mined primarily emanates from access restrictions to the open pit due to limitations on mining activities in close proximity to the nearby community, adverse weather conditions experienced as well as the processing of suboptimal reef horizons which were supplemented by purchased ROM ore to maintain plant throughput. A mining contractor was awarded a three-year contract to remove waste thereby addressing the backlog and ensuring access to the reef horizons in the future. The stripping ratio being the ratio measured in m^3 to m^3 at which waste and inter-burden are removed, relative to ore mined, remained constant at 12.8 m^3: m^3. With the waste mining contractor established on site it is envisaged that there will be a recovery in waste mining volumes for FY2024. The constraints in the mining are being addressed however, in the interim, Tharisa Minerals will continue to purchase third party ROM ore to maintain plant throughput over the short-term. A comprehensive study on underground portal development is underway, which addresses ore flexibility, waste removal and proximity limitations. The Company intends to cease ROM ore purchases from FY2025 onwards.

The PGMs in the MG ore mined by Tharisa Minerals occur in the silicates. They are not associated with chromite, thus enabling the process to extract chrome before PGMs without sacrificing PGM recovery. This lowers the chrome content in the PGM circuit, resulting in much lower chrome content in the PGM concentrate compared to typical UG2 operations. Base metal content in the MGs is also significantly lower than in Merensky and UG2 ores, resulting in a low matte pull during smelting, reducing base metal refining requirements.

To enhance chrome recoveries a third high-volume plant, the Vulcan Plant, processes live tailings to further enhance beneficiation of the Tharisa Mine's chrome production while reducing the unit output of carbon emissions.

The Vulcan Plant is the first large-scale plant to produce chrome concentrates from ultra-fines, consolidating Tharisa's position as a key chrome producer. The concept and design of the Vulcan Plant was developed entirely in-house by the R&D team to extract the ultra-fine chrome from tailings.

Sales

		30 September 2023	30 September 2022	Change %
PGM basket price	US$/oz	**1 893**	2 564	(26.2)
PGM basket price	ZAR/oz	**34 107**	40 437	(15.7)
PGM ounces sold	koz	**144.0**	168.3	(14.4)
42% metallurgical grade chrome concentrate contract price	US$/t	**263**	209	25.8
42% metallurgical grade chrome concentrate contract price	ZAR/t	**4 840**	3 345	44.7
Metallurgical chrome concentrate sold (including third party)	kt	**1 506.5**	1 405.5	7.2
Average exchange rate	ZAR:US$	**18.2**	15.8	15.2

The PGM concentrate is sold to precious metal refiners in South Africa in terms of offtake agreements, the terms of which are typically volume based. There are no evergreen agreements. Tharisa Minerals is paid a variable percentage of the contained PGMs, and base metals contained within each tonne of concentrate based on prevailing market prices.

Metallurgical grade chrome concentrates are marketed and sold by a fellow subsidiary – Arxo Resources Limited ('Arxo Resources'), a Cypriot registered commodities trading company and wholly owned by the Company – to customers primarily in China and Indonesia as an input into the manufacture of stainless steel. The chrome market is a 'spot' market, and the sales are priced on a CIF Main Ports China basis. Short to medium term volume-based sales contracts are in place for part of the chrome production with pricing derived from spot market prices. Of the chrome concentrate sales of 1.53 Mt, 211.3 kt (13.8%) comprised higher margin specialty chemical and foundry-grade chrome concentrates. The higher-value specialty chrome concentrates typically command a premium of US$30/t to US$50/t and are distributed globally.

Arxo Resources also markets and sells third party chrome concentrates.

Metallurgical chrome production is shipped in bulk and containers via South African and Mozambiquan ports to major stainless steel and ferrochrome producers in China and Indonesia.

Arxo Metals
Arxo Metals Proprietary Limited ('Arxo Metals') is the beneficiation, research, and development arm of the Group. Arxo Metals conducts extensive research into technologies and downstream beneficiation opportunities that can improve yields and recoveries. Its core focus is creating increased value PGM and chrome products through expanding and optimising the Group's processing operations.

Arxo Metals owns the Challenger Plant, which is integrated into Tharisa Minerals' plant circuit at the feed stage and is dedicated to producing specialty grade (chemical-grade and foundry-grade) concentrates. Specialty-grade concentrates carry more stringent specifications and, therefore, command a higher selling price. Arxo Metals produced 72.6 kt of chemical-grade chrome concentrate (2022: 80.8 kt) and 11.8 kt of foundry-grade chrome concentrate (2022: 21.6 kt) in FY2023.

Arxo Metals operates Sibanye Stillwater's K3 UG2 chrome plant and markets and sells the UG2 chrome concentrate produced. The chrome production for FY2023 from the K3 UG2 chrome plant improved to 201.9 kt versus 188.2 kt in FY2022.

Arxo Metals operates a comprehensive beneficiation site which includes a 1 MW DC furnace, owned by Tharisa Minerals, which produces PGM alloy and is continuing its research work into refining processes. The beneficiation site also houses other metal production facilities, in line with the Company's stated strategy of maximising value for the raw materials it produces and research facilities for energy production and storage.

In the year under review, Arxo Metals made great strides in furthering its objectives of finding opportunities in the energy space. As such, the Arxo Metals Renewable Energy Centre (AMREC) was established, focusing on energy storage solutions using our commodities, including long-duration scalable storage solutions.

Arxo Resources
Arxo Resources, with an established platform of global customers, including stainless steel and ferrochrome producers and commodity traders, has an offtake agreement to purchase the metallurgical-grade chrome concentrate produced by Tharisa Minerals and markets and sells the concentrate to customers in China and other international markets.

The scale of Arxo Resources' operations allows for direct access to market and price discovery. Its established contact with customers also creates an excellent platform for additional sales of third-party products.

Arxo Logistics
Arxo Logistics Proprietary Limited ('Arxo Logistics'), a company incorporated in South Africa, provides an integrated logistics platform that reduces the risk and costs of transporting concentrates. It manages the road transportation of Tharisa Minerals' PGM concentrates to its off takers and the long-haul transportation of chrome concentrates from the Tharisa Mine and K3 UG2 chrome plant to international customers through bulk and container shipping. Due to inland logistical constraints on the rail network, Arxo Logistics has expanded its footprint and operating ports to ensure greater flexibility and supply certainty for global customers. Arxo Logistics now ships via Richards Bay Dry Bulk Terminal and the Durban ports, both in South Africa, and Maputo Harbour, in Mozambique.

The logistics arm of the Group has the necessary road and rail transport capacity, warehousing facilities, and port facilities to manage Tharisa Minerals' full production capacity. It also serves as a platform from which the Group can provide services to additional third-party customers.

Arxo Logistics provided third-party logistics services during the year under review.

MetQ
MetQ Proprietary Limited ('MetQ'), a South African-based company, specialises in manufacturing and distributing mineral processing equipment, with a manufacturing facility based in Rosslyn, Pretoria, South Africa, becoming one of the market leaders in processes relying on particle sizing and gravity concentration of various minerals.

Research and development is the keystone to MetQ' s success and ensures future growth.

MetQ supplies spirals to the Tharisa Group operations and other engineering equipment required by the Group while expanding its footprint to third-party customers in multiple commodities and jurisdictions.

Development projects
Tharisa's development pipeline has been focused on developing the Karo Platinum Project.

Karo Mining Holdings
Karo Platinum (Private) Limited (‘Karo Platinum’), a company incorporated in Zimbabwe. Karo Mining Holdings plc (“Karo Mining’) (85%) and Generation Minerals (Private) Limited (15%), the Republic of Zimbabwe’s special purpose vehicle (SPV), holds a Mining Lease covering an area of 23 903 ha. It is located within the Great Dyke in the Mashonaland West District of Zimbabwe, approximately 80 km southwest of Harare and 35 km southeast of Chegutu. The Great Dyke is a PGM-bearing geological feature that runs north to south. At approximately 550 km in length and up to 11 km wide, it is second to the Bushveld Complex of South Africa’s PGM resource base. The project, situated within a designated special economic zone ('SEZ'), is in the southern portion of the middle chamber of the Great Dyke and is supported by good infrastructure, including tarred roads and power access in the project area.

The Karo Project area is located on both the eastern and western flanks of the Great Dyke, which hosts the Main Sulphide Zone ('MSZ'). There is no outcrop as the mafic and ultramafic rocks weather easily to black cotton soil. The area is underlain by both the mafic and ultramafic sequences dipping at 20° to the east on the western side of the Great Dyke and 32° to the west on the eastern side of the Great Dyke. The MSZ is estimated to be approximately 700 m deep at the southern end of the tenement, up to 1 000 m deep in the centre, and 600 m deep in the northern end of the tenement.

Construction at the Karo Project officially commenced on 7 December 2022. A rapid construction timeline was targeted, with the first ore in mill set to be delivered by June 2024, with the first concrete poured in June 2023. In the same month, open-pit pilot mining commenced to optimise the mining methods and produce ore to further test and refine metallurgical processing. Karo Platinum will process approximately 2.5 Mtpa of ore at nameplate capacity and produce 190.0 kozpa of PGMs (6E basis) from phase one which accesses open pits. The Company has an effective 63.75% economic interest in Karo Platinum.

One LTI was recorded on the project for the year under review.

The Company committed US$135 million to invest as its equity in the project with the intention to debt fund the balance of ~US$260 million. As part of the funding solution some US$36.8 million was raised through a US$-denominated structured debt instrument that was successfully listed on the Victoria Falls Stock Exchange. The bond was guaranteed by the Company and attracted both domestic and international institutional investors. With the depressed PGM pricing environment and macro-economic factors, a prudent and strategic decision has been taken to extend the Karo Platinum Project timeline for commissioning by 12 months to June 2025, with the opportunity to accelerate the timeline as markets become more favourable.

Redox One
Redox One Limited (“Redox One’), a company incorporated in Cyprus and a wholly owned subsidiary of the Company, is dedicated to pioneering a sustainable energy future by delivering safe, reliable, cost-effective, large-scale energy storage solutions to industries, communities and nations. The objective is to accelerate the clean energy transition with iron-chromium flow battery technology, resulting in long-term storage solutions for the global energy crisis.

PRODUCTS

The Tharisa Mine produces the following products:
- **PGM concentrate:** The major elements of the PGM concentrate are platinum, followed by palladium and rhodium.
- **Metallurgical grade chrome concentrate**: 40.0% to a 42.0% chrome (as Cr_2O_3) with the silica (SiO_2) lower than 5.0%.
- **Chemical grade chrome concentrate**: 44.0% to 46.0% Cr_2O_3 with the SiO_2 lower than 1.0%.
- **Foundry grade chrome concentrate**: 45.0% to 46.0% Cr_2O_3 with the SiO_2 lower than 1.0%. The American Foundryman Society Grain Fineness Number (AFS Number) is managed between 45 and 55.

FINANCIAL OVERVIEW

The results of the Group have been audited and the auditors have expressed an unqualified audit opinion.

Key financial metrics		**30 September 2023**	30 September 2022	Change %
Revenue	US$'000	**649 893**	685 996	(5.3)
EBITDA	US$'000	**136 812**	237 319	(42.4)
Profit before tax	US$'000	**114 340**	220 223	(48.1)
Earnings per share	US$ cents	**27.4**	53.8	(49.1)
Free cash flow	US$'000	**78 988**	68 662	15.0
Return on invested capital	%	**10.5**	23.5	(55.3)
Total debt	US$'000	**139 656**	62 884	122.1
Net cash	US$'000	**129 357**	80 416	60.9
Net debt/EBITDA		**(0.95)**	(0.3)	-
Net debt/equity	%	**(19.2)**	(13.0)	-
Exchange rate (ZAR:US$) - average		**18.2**	15.8	15.2

The ZAR:US$ volatility remained elevated during the financial year ranging between a midpoint of ZAR18.1 and a lower range of ZAR16.8. The average ZAR:US$ exchange rate was ZAR18.2 (2022: ZAR15.8) while the closing exchange rate was ZAR18.91 (2022: ZAR18.07).

Segmental analysis

The contribution to revenue and gross profit from the respective segments is summarised below:

	30 September 2023					30 September 2022				
US$ million	**PGM**	**Chrome**	**Agency and trading**	**Manufacturing**	**Total**	PGM	Chrome	Agency and trading	Manufacturing	Total
Revenue	**198.5**	**390.0**	**56.0**	**5.4**	**649.9**	346.8	295.2	40.5	3.5	686.0
Cost of sales	**(153.8)**	**(287.8)**	**(50.7)**	**(4.3)**	**(496.6)**	(194.1)	(205.8)	(37.2)	(3.2)	(440.3)
Manufacturing	**(153.2)**	**(177.0)**	**(37.3)**	**(4.3)**	**(371.8)**	(193.3)	(90.8)	(21.2)	(3.2)	(308.5)
Selling costs	**(0.6)**	**(78.7)**	**(9.0)**	**-**	**(88.3)**	(0.8)	(69.5)	(9.2)	-	(79.5)
Freight services	**-**	**(32.1)**	**(4.4)**	**-**	**(36.5)**	-	(45.5)	(6.8)	-	(52.3)
Gross profit	**44.7**	**102.2**	**5.3**	**1.1**	**153.3**	152.7	89.4	3.3	0.3	245.7
Gross profit margin	**22.5**	**26.2**	**9.5**	**20.4**	**23.6**	44.0%	30.3%	8.1%	8.6%	35.8%
Sales volumes	**144.0 koz**	**1 530.6 kt**	**187.2 kt**			168.3 koz	1 526.0 kt	186.3 kt		

The basis of the allocation of shared costs was revised to 55.0% for chrome (2022: 30.0%) and 45.0% for PGMs (2022: 70.0%). The basis of the allocation of shared costs is driven by relative sales values at Tharisa Minerals for each segment.

PGM revenue decreased by 42.8% as a result of the 26.2% decrease in the PGM basket price from US$2 564/oz during FY2022 to US$1 893/oz. The fall in PGM prices primarily emanated from the correction of the basket price from unprecedented highs during 2020 – 2021. In addition, sales volumes decreased by 14.4%. The decrease in prices may be further attributed to the decline in PGM demand as a result of the gradual phasing out of Internal Combustion Engines as part of the global initiative to reduce greenhouse gas emissions. An uptick in PGM demand is expected in the short to medium-term as result of expected supply deficits. The primary driver of the anticipated increase in PGM demand is the hydrogen economy.

During FY2023, rhodium traded at an average price of US$8 576/oz, a decrease of 42.9% from an average price of US$15 018/oz during FY2022. A 26.4% decrease in the average price of palladium was observed from US$2 108/oz during FY2022 to US$1 552/oz for the current financial year

Total chrome revenue increased by 32.1% primarily due to the 25.8% increase in the metallurgical grade (met-grade) realised selling price.

Average sea freight costs decreased by 35.8% over the financial year to US$22.9/t (2022: US$35.7/t).

Costs

The following analysis computes the 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 then analyses the major cost categories on a per tonne milled basis. Costs relating to deferred stripping of US$4.4 million (2022: US$15.1 million) which are capitalised, were excluded from the per tonne milled analysis.

		30 September 2023	30 September 2022	Change %
Cubes mined	**km^3**	**15 629.3**	20 896.7	(25.2)
Cost per cube mined	**US$/m^3**	**10.4**	8.5	22.2
Reef tonnes mined	**kt**	**4 177.3**	5 505.4	(24.1)
Cost per reef tonne mined	**US$/t**	**38.8**	32.4	19.9
Tonnes milled	**kt**	**5 409.8**	5 608.2	(3.5)
Consolidated cash cost per tonne milled	**US$**	**62.2**	52.9	17.7

For FY2023, mining costs per cube mined increased by 22.1% to US$10.4/m^3 (2022: US$8.5/m^3) as a result of inflationary cost pressures evidenced by the increase in the average PPI, coupled with higher contractor costs from the commencement of third-party waste stripping. The increase in mining costs per cube mined was further driven by the decrease in cubes mined by 25.2% due to fixed costs on a per unit basis being absorbed by lower production volumes. A similar pattern of increase can be observed in the 19.9% increase in cost per reef tonne from US$32.4/t during FY2022 to US$38.9/t emanating from lower reef tonnes mined thus driving up the fixed cost component per unit.

The average diesel price during FY2023 increased by 7.5% to ZAR21.3/l (2022: ZAR19.9/l) primarily due to the supply discipline implemented by the OPEC+ coupled with the weakening of the ZAR. Average diesel consumption for the year totalled 38.5 million litres.

Inflationary and operational cost pressures were partially offset by the depreciation of the ZAR relative to the US$. The ZAR/US$ is expected to remain at elevated levels ranging between ZAR18.2 – 18.7 over the short-term which will bode favourably for the Group as it manages inflationary cost increases.

Summary of results

Revenue for the year decreased by a marginal 5.3% to US$649.9 million (2022: US$686.0 million) remaining relatively resilient to the fall in PGM prices and sales volumes while benefitting from the strength of robust chrome sales volumes and an uptick of 25.8% in the realised chrome prices.

Othe operating expenses decreased by 10.1% to US$57.4 million (US$63.9 million). The largest cost component of other operating expenses was employee related expenses of US$28.1 million which contributed 49.0% to total other operating expenses.

EBITDA totalled US$136.8 million (2022: US$237.3 million), a 42.4% decrease primarily due to inflationary and operational cost increases exceeding revenue growth over the period along with commodity price volatility.

Finance costs for the year amounted to US$7.1 million (2022: US$4.8 million), a 49.2% increase emanating from significant increases in interest rates globally, the drawdown of US$60.0 million of a bridge finance facility, the drawdown of US$80.0 million of a term loan as well as the utilisation of asset backed finance facilities to support capital expenditure plans.

Fair value adjustments to financial assets held within the Company, Karo Mining Holdings and Tharisa Minerals decreased by 50.4% to US$22.0 million (US$44.3 million) with the primary adjustment being the US$16.8 million fair value adjustment to the option to Generation Minerals to increase its shareholding in Karo Mining Holdings.

The Group generated a profit before tax of US$114.3 million (US$220.2 million), a 48.1% decrease year on year.

The taxation charge totalled US$27.6 million (2022:US$53.1 million) with an effective tax rate of 24.1% (2022: 24.1%). Total cash taxes paid totalled US$30.0 million (2022: US$41.2 million).

Taking into account the foreign currency translation reserve of US$12.8 million, total comprehensive income amounted to US$74.0 million (2022: US$97.4 million), a decrease of 24.0% year on year.

Basic earnings per share for the financial year amounted to US 27.4 cents (2022: US 53.8 cents).

Return on invested capital for the year decreased from 23.5% during FY2022 to 10.5% for FY2023.

Outlook

Our co-product model proved its resilience once again benefiting from a 25.8% increase in chrome prices. The earlier operational mining challenges and subsequent sub optimal ore mix from our own mined ore and purchased ore did have a negative impact on PGM recovery and thus production.

Our margins remain strong due to our mechanised low-cost operations, with a continued disciplined capital allocation strategy, ensuring investment in our existing businesses, providing sustainable growth and returns to shareholders.

Given the current PGM basket price weakness and uncertain global economic outlook, we have taken the measured decision to extend the Karo Platinum timeline out to commissioning by June 2025, with the opportunity to accelerate the timeline as markets become more favourable. The Karo Platinum Project has progressed well, and the revised timeline is aligned to funding availability and provides flexibility to navigate volatile market conditions.

Our growth strategy remains firmly intact, with continuous optimisation at the Tharisa Mine, investment in downstream beneficiation, and our commitment to the development of the multi-generational Tier 1 Karo Platinum Project subject to funding and favourable market conditions.

Production guidance for FY2024 is set between 145 koz and 155 koz PGMs (6E basis) and 1.7 Mt to 1.8 Mt of chrome concentrates.

RESULTS

The Group's results are set out on page 29 of the consolidated financial statements while the results of the Company are set out on page 95.

Capital expenditure

Total capital expenditure (CAPEX) amounted to US$97.2 million. Of the total CAPEX, US$27.3 million pertained to additions to the mining fleet and US$11.8 million related to other mining assets. Total CAPEX for Karo Platinum amounted to US$46.3 million.

Cash flows and working capital
Cash flows generated from operations before accounting for working capital movements amounted to US$142.6 million (2022: US$239.6 million).

Working capital movements for the year include the following:
- An increase in inventories of US$18.8 million
- A decrease in trade and other receivables of US$39.6 million
- An increase in trade and other payables of US$0.7 million

Total cash additions to property, plant, and equipment for the year totalled US$69.9 million. After taking into account, inter alia, debt and interest repayments, there was a net increase in cash and cash equivalents of US$117.0 million.

Cash and cash equivalents, including the restricted cash, totalled US$269.0 million at 30 September 2023 (2022: US$143.3 million). Net current assets totalled US$248.2 million (2022: US$207.2 million).

Funding
Total interest-bearing debt to equity for the Group was 20.7% (2022: 10.1%). Of the total interest-bearing debt, US$126.2 million was US$ denominated whilst US$13.2 million was ZAR denominated.

Cash and cash equivalents as at financial year end amounted to US$269.0 million, including restricted cash (2022: US$143.3 million).

Net debt to EBITDA for the financial year was negative 0.9 times (2022: negative 0.3 times).

An amount of US$60.0 million of the ABSA Bridge Facility was drawn during the financial year. The loan was repayable monthly over 12-months and bore interest at SOFR plus a margin of 3.0% over the first 6-months with a ratchet structure adding 25 bps dependent on the period till repayment. The Bridge Facility was repaid in full during September 2023 as part of the initial drawdown of the ABSA/SOCGEN Term Loan.

The syndicated ABSA and SOCGEN facilities of US$80.0 million (the total maximum facility) was drawn during September 2023. The outstanding balance of the ABSA Bridge Loan Facility was settled in full from the proceeds of the Term Loan Facility. The Revolving Credit Facility (RCF) of US$50.0 million has not been drawn and remains available to Tharisa Minerals. The tenor of each facility is 42-months bearing interest at SOFR plus a margin of 3.6% and 4.2% for the Term Loan and the RCF respectively. The Term Loan has an accelerated repayment profile. To mitigate commodity price volatility, the lenders required Tharisa Minerals to enter into monthly derivative commodity hedges (i.e. cash settled) equal to the capital repayment of the Term Loan, on a rolling 12-month basis. Tharisa Minerals has therefore hedged certain of its platinum and palladium sales.

The limited recourse receivables discounting facility has been wound down.

Karo Mining Holdings concluded a bond listing on the Victoria Falls Stock Exchange (VFEX) raising an amount of US$32.0 million with a tenor of three years at a semi-annual coupon of 9.5%, on 16 December 2022. The bond was the first of its kind to be listed on the VFEX. Arxo Finance plc, a company incorporated in Cyprus and a wholly owned subsidiary of the Company, participated in the bond issue in the amount of US$10.0 million. Subsequent to the listing, the bond was granted prescribed asset status by IPEC, and a 'tap' issue raised a further US$5.0 million. The balance as at the financial year-end of US$27.2 million excludes the US$10.0 million from Arxo Finance.

Karo Platinum Project
The Group has committed US$135.0 million as an equity contribution to the project structured as equity and quasi-equity. Currently the Group owns 75.0% of Karo Mining Holdings plc, but once all equity has been utilised will result in an 80.0% ownership.

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 changes in fair value of financial assets and liabilities as stated in the consolidated statement of profit or loss.

Return to the ordinary shareholders on the equity attributable to the owners of the company: calculated as the profit attributable to the owners of the company divided by the average equity attributable to the owners of the company.

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

Debt to equity ratio is calculated by dividing the total of the non-current and current borrowings by the total equity as stated in the statement of financial position.

Net debt to equity ratio is calculated by dividing the total of the non-current and current borrowings less the cash and cash equivalents by the total equity as stated in the statement of financial position.

Net debt to EBITDA multiple: the total of the non-current and current borrowings less the cash and cash equivalents divided by the EBITDA as defined previously.

Current ratio: represents the current assets divided by the current liabilities.

Free cash flow: represents the cash flows from operations less the additions to property, plant and equipment.

Total debt: represents the total of the non-current and current borrowings.

CHANGES IN THE GROUP STRUCTURE

There were no changes to the group structure during the year ended 30 September 2023, however, the Company increased its shareholding in Karo Mining Holdings plc. Effective 30 June 2023, Karo Mining issued an additional 3 800 new ordinary shares for a cash subscription of US$27.3 million to the Company. The additional shares issued represented 2.33% of the issued share capital of Karo Mining which increased the Company's shareholding to 72.33%. Effective 31 July 2023, Karo Mining issued an additional 5 248 new ordinary shares for a cash subscription of US$37.7 million to the Company. The additional shares issued represented 2.68% of the issued share capital of Karo Mining which increased the Company's shareholding to 75.00%.

Refer to notes 30 of the consolidated financial statements and note 11 of the Company financial statements.

DIVIDENDS

During the year ended 30 September 2023, the Company declared and paid a final dividend of US 4.0 cents per share in respect of the financial year ended 30 September 2022. In addition, an interim dividend of US 3.0 cents per share was declared and paid in respect of the financial year ended 30 September 2023.

During the period ended 30 September 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. In addition, an interim dividend of US 3.0 cents per share was declared and paid in respect of the financial year ended 30 September 2022.

On 12 December 2023, the Board proposed a final dividend of US 2.0 cents per share, subject to the necessary shareholder approval at the Annual General Meeting.

RELATED PARTIES

From time to time, the Group concludes transactions with related parties. Outstanding balances at year-end are unsecured and settlement occurs in cash and are disclosed in the ensuing consolidated financial statements (refer to note 33) and the Company financial statements (refer to note 20).

CONTINGENCIES AND COMMITMENTS

The Group's contingencies and commitments are disclosed in notes 34 and 35 to the consolidated financial statements and note 21 to the Company financial statements.

SHARE CAPITAL AND PREMIUM AND TREASURY SHARES

The authorised share capital of the Company comprises 10 000 million ordinary shares of US$0.001 each and 1 051 convertible redeemable preference shares of US$1 each. At 30 September 2023, the issued and fully paid ordinary share capital comprised 300 019 694 (2022: 299 746 365) ordinary shares. As at 30 September 2023 and the date of this report, treasury shares totalled 2 577 049 (2022: 2 850 378) ordinary shares (refer to note 23 to the consolidated financial statements and note 14 to the Company financial statements).

All ordinary shares other than for the treasury shares rank equally with regard to the Company's residual assets. The holders of ordinary shares, other than the 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.

There are no restrictions in the exercising of voting rights of shares issued by the Company.

SIGNIFICANT SHAREHOLDERS

Refer to the Corporate Governance report for stakeholders holding more than 5% of the issued share capital of the Company.

MEMBERS OF THE BOARD OF DIRECTORS

The Board of Directors, during the year, as at 30 September 2023 and the date of this report are:

Loucas Christos Pouroulis	Executive Chairman
Phoevos Pouroulis	Chief Executive Officer
Michael Gifford Jones	Chief Finance Officer
Carol Bell	Lead Independent Non-Executive Director
John David Salter	Independent Non-Executive Director
Antonios Djakouris	Independent Non-Executive Director
Omar Marwan Kamal	Independent Non-Executive Director
Roger Owen Davey	Independent Non-Executive Director
Shelley Wai Man Lo	Non-Executive Director
Chen Hao*	Non-Executive Director
Zhong Liang Hong**	Non-Executive Director

* *Appointed 1 October 2023*
** *Resigned 30 September 2023*

There has been no other change in the composition or the allocation of responsibilities of the Board of Directors' of the Company between 30 September 2023 and the date of approval of the consolidated and Company financial statements.

DIRECTORS' INTEREST

The interest in the share capital of the Company, both direct and indirect, of the Board of Directors is disclosed below:

	30 September 2023 %	30 September 2022 %
LC Pouroulis	**0.41**	0.40
P Pouroulis	**2.69**	2.68
MG Jones	**0.24**	0.26
A Djakouris	**0.01**	0.01
C Bell	**0.02**	0.02
Total	**3.37**	3.37

The interest percentage represents the percentage of voting rights.

There has been no change in the Board of Directors' interests in the share capital of the Company between 30 September 2023 and the date of approval of the consolidated and Company financial statements.

COMPANY SECRETARIES

Sanet Findlay serves as the Company Secretary. Lysandros Lysandrides serves as the Assistant Company Secretary. The Board of Directors formally assessed and considered the performance and qualifications of the Company Secretaries and is satisfied that they are competent, suitably qualified and experienced. They are not directors of the Company, nor are they related or connected to any of the Directors and the Board of Directors is satisfied that they maintain an arm's length relationship with the Board of Directors. Their contact details are as follows:

Sanet Findlay
2nd Floor, The Crossing
372 Main Road
Bryanston, 2191
South Africa

Lysandros Lysandrides
31 Evagoras Avenue
Evagoras House, 6th Floor
Nicosia
Cyprus

The Company Secretaries are available to advise all Directors to ensure compliance with the Board procedures. A procedure is also in place to enable Directors, if they so wish, to seek independent professional advice at the Group's expense.

EVENTS AFTER THE REPORTING PERIOD

Events after the reporting period are disclosed in note 36 to the consolidated financial statements and note 22 to the Company financial statements.

DIRECTORS' AND MANAGEMENT REMUNERATION

Directors' remuneration is disclosed in note 11 to the consolidated financial statements and note 6 to the Company financial statements. Key management's remuneration is disclosed in note 33 to the consolidated financial statements. There has been no significant change in the remuneration of the Board of Directors' and key management of the Company between 30 September 2023 and the date of approval of the consolidated financial statements.

ARTICLES OF ASSOCIATION

Refer to the Corporate Governance Report for provisions relating to how Articles of Association may be amended.

COMPANY'S INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IN RELATION TO THE FINANCIAL REPORTING PROCESS

Refer to the Corporate Governance Report for provisions relating to internal control and risk management.

INDEPENDENT AUDITORS

The independent auditors, Ernst & Young Cyprus Ltd, have expressed their willingness to continue in office. A resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

BRANCHES

During the year, a subsidiary of the Company, Redox One Limited established a branch in Germany.

GOING CONCERN

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

Refer to note 32 to the consolidated financial statements and note 19 to the Company financial statements for statements on the Group's objectives, policies and processes for managing its capital, details of its financial instruments and hedging activities; its exposures to market risk in relation to commodity prices and foreign exchange risks; interest rate risk; credit risk; and liquidity risk.

ENVIRONMENTAL

The Group has a legal obligation to rehabilitate the mining area, once the mining operations cease (refer to note 24 to the consolidated financial statements).

RESEARCH AND DEVELOPMENT

The Group's approach to research and development is founded on its core value of innovation. The Group strives to push through established boundaries and limitations within existing processing and product development, optimizing processes and challenging convention. The development of downstream beneficiation of the Group's PGMs is part of its philosophy of capturing value and margin down the supply chain and ultimately being in control of metal flows through to direct sales.

CORPORATE SOCIAL RESPONSIBILITY

Sustainability starts with a corporate value system that upholds responsibilities to the planet and to people. This corporate value system is based on a principled approach to doing business and is guided by the need to protect the environment, human rights and stakeholders that are affected by the Group's businesses.

Sustainability is a blueprint for shared values and it is through sustainability that the Group is able to create additional value for its investors and for all of its stakeholders including employees, contractors, suppliers, the communities in which it operates, and various levels of government.

On a broader basis, the Group subscribes to the Equator Principles and has embraced the Ten Principles of the UN Global Compact.

The Equator Principles are a risk management framework, adopted by financial institutions, for determining, assessing, and managing environmental and social risk in projects. They are primarily intended to provide a minimum standard for due diligence to support responsible risk decision-making.

The safety and health of the Group's employees is a core value. Tharisa Minerals is proud of its track record in minimising its environmental impact and, while it strives to improve further, it takes similar pride in its mature and mutually beneficial relationships with the communities that border the Tharisa Minerals' mine.

The Group not only understands its obligations to create social capital as enshrined in the MPRDA, but also strives to achieve these obligations in ways that create ongoing positive social impacts.

The Group will be publishing its sustainability report within its Annual Report and it will be available on the Company's website. The sustainability report will contain information about safety and health, human resources, environmental matters, social development, and human rights.

STAKEHOLDER ENGAGEMENT

The Group believes that stakeholder engagement is a business imperative and that strong lines of communication between stakeholders ensure the success of the Group and secure its place within the community. The Group's stakeholder engagement strategy aims to maintain good working relations, manages social risk and develops solutions to social challenges faced by its stakeholders. Tharisa's stakeholder engagement framework will be further developed for the new jurisdictions that it is entering as those operations are established.

HUMAN RESOURCES

The Group considers the wellbeing of employees central to its success and strives to maintain exemplary working standards, ensure job satisfaction and create opportunities for professional growth. The Group's human resources policy focuses on creating a positive atmosphere at all offices and facilities to maximise productivity. The Group's future success will partly depend on its ability to continue to attract, retain and motivate key employees and qualified personnel, in particular an experienced management team.

Adequate remuneration packages, which are in line with or in excess of market levels, are offered to all employees and key managers. The Human Resource function regularly monitors salary levels and other benefits offered by competitors to ensure that the Group's remuneration packages are adequate.

NON-FINANCIAL INFORMATION

The Group will be publishing its non-financial information within its Annual Report that will be issued within four months after the balance sheet date and will be available on the company's website: www.tharisa.com.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's critical estimates and judgements and financial risk management are disclosed in notes 3 and 32 to the consolidated financial statements and notes 3 and 19 to the Company financial statements. Additional disclosure on financial risk and judgement is disclosed in each note to the financial statements.

The Group's contingencies, commitments and guarantees are disclosed in notes 34 and 35 to the consolidated financial statements and note 21 to the Company financial statements.

Principal business risks are those that, if they materialise, can materially affect the Group's ability to create and sustain value in the short, medium and long term. The material risks, i.e. the possibility of loss or harm occurring, whether permanent or causing significant damage, whether physical, financial or reputational, to Tharisa and its stakeholders are identified through an analysis of the Group's risks, the external environment and the Group's engagement with stakeholders.

Material risks may impact the achievement of the Group's strategy. Each risk also carries with it challenges and opportunities.

The Group's strategy considers known risks, which are assessed regularly, updated and included in the organisational risk matrix.

Material risks are considered and reported on an ongoing basis by those members of the management team responsible for risk management. The Tharisa Risk Committee comprises all members of the Board. Risks are identified in the Group Risk Register, considered by management quarterly, and reported to the Board at least twice a year.

Mitigating risks, whether partial or full, forms part of management's responsibility and is aligned with the Group's strategy.

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
Health and safety		
The safety and health of our people is our core value. Operating safely 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 a zero-harm working environment. Implementation of a safety strategy focusing on eliminating serious injuries from our business. Implement a consequence management guideline for breaches of Tharisa's Fatal Hazard codes and safe life behaviours. Comprehensive training on mandatory code of practices and standard operating procedures. Continuous training and adherence to global best practices. Regular reviews/inspections conducted by the SHEC department. Transparent and open relationships with the DMRE inspectorate and other regulatory bodies. Key performance indicator ("KPI") in Group cash bonus scheme to incentivise safe behaviour. Ensuring alignment and standardisation across all jurisdictions and operations. Tharisa has put in place measures that, at a minimum, comply with government regulations and adhere to best practices.

Risk	Impact	Mitigation
Political uncertainty		
South Africa The burgeoning unemployment, increasing government debt and negligible GDP growth have led to a negative response to political certainty. Negative business confidence. Zimbabwe Limited international sanctions still exist and may affect the economy's stability. Hyperinflation and monetary policy uncertainty. Negative business confidence and political uncertainty. Lack of US$ currency liquidity. Instability in Eastern Europe.	Unattractive investment destination(s) for investors. Political and civil unrest adversely impacting mining production. Closing (temporary or permanent) of end-user markets. Imposition of sanctions on countries buying our products.	The South African government has indicated commitment and intent to ensuring South Africa remains politically stable and that the economy is advanced. Pledges by global concerns to invest in the country will improve business confidence, unlock investment flows and increase GDP growth. Continuous drive by the Government of Zimbabwe to create an investor-friendly environment. Recent general election in Zimbabwe has confirmed a new government for five years. Establishment and awarding of SEZ in Zimbabwe to assist capital flows and investment. Tharisa has a wide range of off-takers who value the quality products Tharisa produces, while Tharisa consistently builds on its relationships and commitments with vendors to ensure a steady supply of goods and services. The Company continuously strives to create new markets for its products.
Regulatory compliance		
Tharisa Minerals' right to mine is dependent on strict adherence to various legal and legislative requirements, such as: The MPRDA and/or Mining Charter and/or the Group's Social and Labour Plan. 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 non-compliance with the regulations could temporarily shutdown all or a portion of the Group's mining activities. The Mines and Minerals Act of Zimbabwe and mining regulations promulgated under such Act.	Cost of compliance to changes in the Mining Charter. Non-compliance resulting in potential legal sanctions including fines, penalties and/or imprisonment of directors and risks to the right to mine through forfeiture or cancellation. Access to forms of capital is hindered.	Identifications of country and industry-specific laws and regulations. Ensure compliance with current MPRDA. Ensure compliance with the terms of the Mining Charter. Ensure compliance with the Group's Social and Labour Plan. Proactive engagement with regulatory authorities and industry organisations. Ensure communication and awareness with investors are maintained. 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 investments. Routine audits are carried out by regulatory/competent authorities in line with the relevant legislative prescripts to ensure compliance. Regular internal inspections are conducted by the SHEC department to ensure compliance with regulatory requirements. Reports are prepared and distributed and any known non-compliances are timeously brought to the attention of the relevant regulator to discuss and agree on a remediation plan.
Production/location concentration		
Tharisa currently owns and operates one primary producing asset located in South Africa. The Group has made investments in Zimbabwean development projects; however, it is still exposed to the potential political risk and instability within the country of its primary operation.	Exposure to potential macroeconomic, social and socio-political risks and instability. Sovereign rating downgrades of the country of operation can limit the Group's ability to raise financing and increase the cost thereof. Exposure to only two main commodities.	Third-party operations, such as the operations of Sibanye Stillwater's K3 UG2 chrome plant, provide additional revenue from an alternate operation. Diversification into higher-grade chrome products. Development of the Karo Platinum Project in Zimbabwe will provide geographic diversification. Considering investment opportunities to diversify commodities as they arise. Development of new offtake agreements for the Company's PGM concentrates. In-house development of downstream beneficiated products to create a broader market for our products.

Risk	Impact	Mitigation
Global commodity prices, currency volatility and other economic factors		
The Group's revenues, profitability and future growth rate depend on the prices of PGMs and chrome. The state of the world's economies impacts demand and market prices for PGMs and chrome. Volatility in the ZAR:US$ exchange rate affects the Group's profitability. Inflationary impact.	Downward pressure on PGMs and/or chrome prices may negatively affect the Group's profitability and cash flows. The Group's reporting currency is the US$. The Group's dominant current operations are 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. Risk of competitor product dumping and undercutting market prices in respect of the chrome market. Impact on input and operating costs and thus margins.	Monitor costs closely to ensure that the Group remains in the lowest cost quartile. Stringent cost control. Improved operating efficiencies and production, driving down unit costs. Service providers appointed to manage the Group foreign exchange and PGM hedging strategy. Production of higher-value-add specialty grade chrome concentrates comprising ~20% of Group chrome concentrate production. Focus on operating performance to maintain unit costs. Sourcing of multiple suppliers for best pricing. Cost control measures are implemented when appropriate.
Financing and liquidity		
The Group's activities expose it to various financial risks, including market, commodity prices, credit, foreign exchange and interest rate risks. Static share price trading. Non-compliance to ESG standards and requirements may affect capital raising abilities. Debt funding for Karo Platinum. "Greylisting" of South Africa by the Financial Action Task Force.	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. Adverse impact on the ability to raise capital for growth and acquisitions. Stalling of the Karo Project due to the Company's inability to raise the required debt capital. Potential increase in regulatory compliance and cost of funding.	Positioned as a low-cost producer of both PGM and chrome concentrates. Production of higher value-add specialty grade chrome concentrates. Leveraging third-party operations. Diversified customers and markets. Undrawn banking facilities. Trade finance facilities assist with working capital requirements. A secondary listing on the LSE and an additional listing on A2X in South Africa provide additional trading platforms and increased liquidity. Marketing and roadshow efforts have significantly enhanced the Group's profile, investor awareness, and investor spread. Compliance and assurance of ESG standards. Multiple debt structures and funding options are being considered to ensure funding for the Karo Platinum project is brought on board. Slowing of the Karo Platinum project to ensure funding timelines are met. Engagement with lenders ensures all parties are fully compliant to ensure better transaction flows. Investigate international funding for non-greylisted operations.
Market/customer concentration		
The bulk of Tharisa's chrome production is exported to China. This gives the Group significant exposure to a single geographic market.	The customer base primarily located in China, with accompanying exposure to Chinese markets.	No reliance on a dominant customer within that market. Tharisa has strategically diversified its production by increasing specialty-grade chrome concentrates, which comprise approximately 20% of Tharisa's total chrome production. Chemical and foundry grade chrome concentrates sold into diversified global markets. Diversified commodities with PGM concentrate sold to leading precious metal refiners on an offtake basis. PGM offtake diversification. Beneficiation strategy.

Risk	Impact	Mitigation
Environment		
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.	Harm to the environment. Increased costs of remediation and rehabilitation due to legislative changes. Potential legal sanctions, including mine stoppage and class action suits. Poor image of mining companies.	Conduct all mining and processing operations in an environmentally responsible manner. Compliance with applicable national and local laws and regulations. Monitor compliance against EMPR, licences and Equator Principles. Compliance with provision for rehabilitation and mine closure. Ongoing environmental impact monitoring, management and evaluation. Ongoing internal and external compliance audits/ inspections. Update/amendment of licences, permits and authorisations. Community engagements through SLP and local forums. Engagement with employees. Ongoing engagements with competent authorities to source advice on new or amended regulations. Continuously monitoring climate change and developing plans, e.g. planting trees, land restoration.
Climate change		
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 risks (arising from Tharisa being perceived as not contributing to addressing climate change in a timely and meaningful way by providers of capital).	Rising temperature levels can affect the availability of natural elements required by the mine, such as access to water. Rising temperatures can affect the physical wellbeing of the workforce. The availability of capital will reflect how well companies seek to decarbonise their operations and supply chains. Introduction of carbon taxes to encourage companies to improve their carbon footprints.	Disclosure and reporting on annual CO_2 emissions. Expand and implement a roadmap to reduce operational CO_2 emissions with a targeted reduction of 30% set by 2030 and a drive to become net carbon neutral by 2050. Engaging with our supply chain on their commitment to decarbonisation. Closer cooperation with suppliers and ensuring the latest technology is implemented to reduce CO_2 emissions. Introduction and implementation of energy and water-efficient ways of product processing. Construction of new water storage facilities to cater to projected water shortages. Active participation in the water management forums in the catchment area. Electricity generation from renewable sources wherever possible. Replacement of diesel fuel as an energy source, where possible, within the fleet at the end of asset life.
Local stakeholders		
Tharisa Minerals' neighbours are impacted by its operations in terms of dust, noise, water usage and security. The stakeholders' perceptions, including different sections of the community and various levels of government, are varied and multi-layered. Negative and inaccurate media coverage can influence perception. Community relocation programme.	Local stakeholder discontent has the potential to disrupt operations. Safety and health of the community. Complaints to regulatory authorities and risk of intervention. Potential for adverse litigation. Poor image of mining companies. Lack of support in equity markets and amongst stakeholders, ultimately leading to a cost of capital impact. Inability to continue expanding the mine in line with operational requirements.	Ongoing environmental impact monitoring. Property purchase agreements are being concluded with local landowners. Partner with the government and local municipality to develop identified land within the municipal spatial development area where the community may be relocated. Ongoing discussions with the DMRE and other government bodies. Positive engagements with the local community with a focus on sustainable community projects. Focus on recruiting from local communities if there is a skills match. Regular and repetitive communication and emphasis on key messages utilising all available media channels. Immediate corrective actions and corrections on factual inaccuracies or misconceptions. Continue with the best-in-practice community relocation programme.

MANAGEMENT REPORT
for the year ended 30 September 2023

Risk	Impact	Mitigation
Access to resources and infrastructure		
Tharisa's mining, processing, manufacturing logistics and marketing operations rely on sustainable access to water, electricity as well as road, rail and port infrastructure and active technology/communication.	Production interruptions. Failure to meet delivery and customer commitments and contracts	Two independent processing plants provide flexibility in times of electricity and water curtailments. Multi-modal transport optionality via bulk or containers, road and/or rail. Integrated rail transportation and port facilities' agreement concluded with Transnet and Maputo Port authorities. 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. Mine water reticulation system and construction of new water storage facilities. Salt and water balancing have improved water quality. Supply of potable water from Samancor Mine (Randwater line). Drilling and licensing of new boreholes to ensure water supply volumes remain positive. The increased depth of the mine pit provides more water ingression, which is dewatered for surface use. Open-pit diesel-powered mining fleet reduces reliance on electricity. Generators installed at the processing plants to mitigate electrical supply curtailments. Development of solar energy for further independence from grid power, including energy storage initiatives
Labour		
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.	Labour disruptions in South Africa remain risky, particularly with the current political climate, which may contribute to heightened labour and community unrest. Potential property damage. Loss of production. Inflationary labour cost pressures.	Improved recruitment process from job specifications, interviewing and assessments to offer of employment. 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 nearly three years of a four-year wage agreement without disruptions, providing certainty for both parties.
Management of resources and reserves		
Management and planning of extracting the multiple MG layers of the reef are critical to the business model. Tharisa's success depends on extracting the maximum value per tonne of the reef while avoiding pit dilution and undue resource sterilisation.	Sub-optimal quantity and quality of reef results in poor processing plant recoveries, impacting production and financial performance. Sterilisation of resources reduces the life of mine and inhibits mining flexibility. Loss of production in the event of low ROM stockpiles ahead of the plants.	Owner-mining model enables in-house management and control of all mining activities, focusing 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. Strategic purchase of ROM ore. Accuracy and execution of mine plan. Mining employees managed on KPIs. Comprehensive assessment of underground potential underway.

Risk	Impact	Mitigation
Unscheduled breakdowns		
The Group's performance relies on the consistent mining and production of PGM and chrome concentrates from the Tharisa Mine.	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.	Optimisation of the existing mining fleet. Developed engineering and geological skills that are integral to in-house mining. Preventative maintenance programme for the fleet and plant. Long-lead item spares in stock. Ensure adequate ROM stockpiles (target two months) while supplementing times of low ROM with purchases of ROM from third parties. Continuous investment throughout the cycle ensures unscheduled breakdowns are kept to a minimum. Partnering with local mines for supply of run of mine ore, processing of run of mine ore sourced from third parties. Comprehensive assessment of underground potential underway.
Cyber security		
The Group's performance may be materially and adversely impacted by a cyber-attack on its IT system.	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.	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 Investment in people and systems.

CORPORATE GOVERNANCE STATEMENT

The Board is of the opinion that the Company is compliant with the JSE Listings Requirements and King IV in all material respects, other than having an Executive Chairman. The former has been mitigated by the appointment of a Lead Independent Director (refer to the Corporate Governance Report).

On behalf of the Board of Directors

Phoevos Pouroulis **Michael Jones**

Cyprus
12 December 2023

CHIEF EXECUTIVE OFFICER AND THE CHIEF FINANCE OFFICER RESPONSIBILITY STATEMENT

The directors, whose names are stated below, hereby confirm that:

- The consolidated annual financial statements and company annual financial statements set out on pages 29 to 93 and 95 to 125 of this document, fairly present in all material respects the financial position, financial performance and cash flows of Tharisa plc and subsidiaries and of Tharisa plc company in terms of IFRS;

- To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the consolidated annual financial statements and company annual financial statements false or misleading;

- Internal financial controls have been put in place to ensure that material information relating to Tharisa plc and its consolidated subsidiaries have been provided to effectively prepare the consolidated financial statements and company financial statements of Tharisa plc;

- The internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

- Where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have remediated the deficiencies / taken steps to remedy the deficiencies; and

- We are not aware of any fraud involving directors.

Phoevos Pouroulis **Michael Jones**

Cyprus
12 December 2023

STATEMENT BY THE MEMBERS OF THE BOARD OF DIRECTORS RESPONSIBLE FOR THE DRAFTING OF THE ANNUAL CONSOLIDATED FINANCIAL REPORT AND FINANCIAL STATEMENTS OF THARISA PLC ACCORDING TO THE UNITED KINGDOM DISCLOSURE GUIDANCE AND TRANSPARENCY RULES ('UK DTR').

In accordance with DTR4.1 on Annual Financial Reporting, providing for the disclosure and transparency requirements for issuers whose transferable securities are admitted to trading on a UK Recognised Investment Exchange, we, the members of the Board of Directors, responsible for the preparation of the annual consolidated financial statements of Tharisa plc for the period ended 30 September 2023, hereby declare that to the best of our knowledge:

(a) the financial statements, prepared in accordance with International Financial Reporting Standards (IFRS), give a true and fair view of the assets, liabilities, financial position and profit of the Company and the undertakings included in the consolidation taken as a whole; and

(b) the management report includes a fair review of the development and performance of the business and the position of the Company, and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Loucas Pouroulis	*Executive Chairman*
Phoevos Pouroulis	*Chief Executive Officer*
Michael Jones	*Chief Finance Officer*
Carol Bell	*Lead independent non-executive director*
Antonios Djakouris	*Independent non-executive director*
Omar Kamal	*Independent non-executive director*
David Salter	*Independent non-executive director*
Roger Davey	*Independent non-executive director*
Shelley Lo Wai Man	*Non-executive director*
Chen Hao	*Non-executive director*

Cyprus, 12 December 2023

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Independent Auditor's Report

To the Members of Tharisa plc

Report on the Audit of the Consolidated and Parent Company Financial Statements

Opinion

We have audited the accompanying consolidated and parent company financial statements of Tharisa plc (the "Company" and together with its subsidiaries the "Group"), which are presented on pages 29 to 125 and comprise the consolidated and parent company statements of financial position as at 30 September 2023, and the consolidated and parent company statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated and parent company financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and parent company financial statements give a true and fair view of the consolidated and parent company financial position of the Group and the Company as at 30 September 2023, and of its consolidated and parent company financial performance and its consolidated and parent company cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as issued by the IASB.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Parent Company Financial Statements* section of our report. We remained independent of the Group throughout the period of our appointment in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code*) and the ethical requirements that are relevant to our audit of the consolidated and parent company financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and parent company financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and parent company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated and parent company financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and parent company financial statements.

Ernst & Young Cyprus Ltd is a member firm of Ernst & Young Global Ltd.
Ernst & Young Cyprus Ltd is a limited liability company incorporated in Cyprus with registration number HE 222520. A list of the directors' names is available at the company's registered office, Jean Nouvel Tower, 6 Stasinou Avenue, 1060 Nicosia, Cyprus.
Offices: Nicosia, Limassol

Key Audit Matters	Our response to the Key Audit Matters
Revenue recognition: Revenue for the year ended 30 September 2023 amounted to US$650m (refer to Notes 4 and 5 of the consolidated financial statements). The identification as a key audit matter primarily relates to the following: The significant number of sales transactions and complex terms under which title and control pass to the customer increases the risk of measurement and cut-off errors. We have also identified risks in relation to the calculation of the adjustment for provisional pricing. ▸ Cut-off: the complexity of terms that define when the title and control are transferred to the customer, as well as the high value of transactions, give rise to the risk that revenue is not recognised in the correct period. ▸ Measurement: the determination of revenue from the sale of PGM concentrates from the time of initial recognition of the sale through to final pricing requires the continuous re-estimation by management of the fair value of the price adjustment. Management determines this with reference to actual spot prices. Estimation is used in the valuation of these transactions and the profit or loss impact of the mark to market movement is recorded as a fair value adjustment in revenue in the statement of profit or loss and other comprehensive income. These calculations are based on estimations and are susceptible to potential manipulation.	In this area, we performed the following procedures, among others: ▸ We obtained an understanding of the key controls around the revenue recognition process in order to assess whether it is designed effectively to prevent, detect or correct material misstatements in the reported revenue figures; ▸ We analysed the terms and conditions for a sample of sales contracts and evaluated whether they have been accounted for in line with the Group's revenue recognition policy. We have reviewed revenue recognition policies for compliance with the requirements of IFRS 15 "Revenue from contracts with customers" (IFRS 15). ▸ For a risk-based sample of revenue transactions we performed test of details including: agreeing the main inputs to supporting evidence (such as provisional and final invoices, shipment confirmations, assay reports, market prices, agreements and bank statements), recalculating the amounts invoiced and recorded as revenue; ▸ For a risk-based sample of revenue transactions selected, we obtained third party confirmations, to check their completeness and accuracy; ▸ We assessed the methodology adopted by management to identify the provisional pricing terms and the determination of estimates of metal in concentrate sold to third parties; ▸ For a risk-based sample of open sales at year-end where provisional pricing is applied, we compared to external sources the inputs used and recalculated the provisional price adjustment to evaluate whether it was correctly measured; ▸ For a risk-based sample of transactions near to the year-end we performed cut off testing over the revenue recognition in the correct period, comparing the date of revenue recognition to supporting evidence such as shipment confirmations and assay reports and considering the appropriate application of terms of sale arrangements; ▸ We considered and analysed the nature of any significant credits raised post year-end to evaluate that revenue transactions were recorded at the correct value in the relevant period; ▸ We performed substantive analytical review procedures, including yearly and monthly trend analysis and reasonableness tests; and ▸ We assessed whether the financial statements include disclosures in respect of revenue and the provisional pricing in accordance with the applicable IFRS.

Rehabilitation provision: The carrying value of the Group's rehabilitation provision as at 30 September 2023 amounted to US$19,3m (refer to Note 24 of the consolidated financial statements). The calculation of this provision requires management judgement in estimating the quantum and timing of future costs taking into consideration the unique nature of the site and the long timescales involved. This calculation also requires management to determine an appropriate future long term inflation rate as well as a rate to discount future costs to their present value. The judgement required to estimate such costs is further increased by the limited historical precedent available to accurately determine the future costs and the uncertainty regarding the final outcome on the application to amend the Environmental Management Plan. Management reviews the close-down, restoration and environmental obligations on an annual basis, using experts to provide support in the assessment where appropriate. This review incorporates the effects of any changes in local regulations and management's anticipated approach to restoration and rehabilitation. Due to the high level of uncertainty and judgement involved in the determination of the estimate and assumptions used and the expected timing of the cash flows, we consider this to be a key audit matter.	In this area, we performed the following procedures, among others: ▸ We assessed management's process for the review of the rehabilitation provision and assessed the movements in the provision in the year, taking into consideration the intended method of rehabilitation and the associated cost estimate, and how this relates to the Environmental Management Plan; ▸ We tested the mathematical accuracy of management's calculations, and we involved our valuations experts to assess the appropriateness of the future inflation and discount rates as well as the variability of the expected timing of the cash flows, including possible expansions of the mine, and to evaluate the assumptions used in determining the provision, considering also the impact of significant regulatory changes, if any; ▸ We considered the competence, capabilities and objectivity of the expert used by management in estimating the relevant costs and we involved our valuations experts to evaluate the work performed by the management expert; ▸ We evaluated the classification of the expenditure and assessed the appropriateness of the related disclosures in the financial statements in accordance with IFRS; and ▸ We considered the amendments currently being made to the Environmental plans and how management incorporated these into the judgements and estimates.

Reporting on other information

The Board of Directors is responsible for the other information. The other information comprises the Management Report, the Corporate Governance Report, the Chief Executive Officer and the Chief Finance Officer Responsibility Statement and the Statement by the Members of the Board of Directors and Company Officials but does not include the consolidated and parent company financial statements and our auditor's report thereon.

Our opinion on the consolidated and parent company financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and parent company financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and parent company financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those charged with governance for the Consolidated and Parent Company Financial Statements

The Board of Directors is responsible for the preparation of consolidated and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as issued by the IASB, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and parent company financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee, that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and parent company financial statements, including the disclosures, and whether the consolidated and parent company financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and parent company financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and parent company financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other regulatory requirements

Pursuant to additional regulatory requirements in the Disclosure Rules and Transparency Rules sourcebook made by the UK Financial Conduct Authority, we report the following:

- In our opinion, based on the work undertaken in the course of the audit:
  - (i) the Management Report has been prepared in accordance with applicable regulatory requirements;
  - (ii) the information given in the Management Report is consistent with the consolidated and parent company financial statements for the year ended 30 September 2023; and
  - (iii) In light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Management Report. We have nothing to report in this respect.

- In our opinion, based on the work undertaken in the course of the audit, the information given in the corporate governance statement in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook made by the UK Financial Conduct Authority (information about internal control and risk management systems in relation to financial reporting processes and about share capital structures):

  - (i) is consistent with the consolidated and parent company financial statements; and
  - (ii) has been prepared in accordance with applicable regulatory requirements.

- In light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the corporate governance statement. We have nothing to report in this respect.

- In our opinion, based on the work undertaken in the course of the audit, rules 7.2.2, 7.2.3 and 7.2.7 in the Disclosure Rules and Transparency Rules sourcebook made by the UK Financial Conduct Authority (information about the Group's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees) have been complied with.

Other Matters

(i) This report, including the opinion, has been prepared for and only for the Company's members as a body and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

(ii) As described in Note 2.1 of the consolidated financial statements and Note 2.1 of the parent company financial statements, these financial statements have been prepared in accordance with IFRS as issued by the IASB. We have reported separately on the Cyprus statutory financial statements prepared in accordance with IFRS as adopted by the EU and the requirements of the Cyprus Companies Law, Cap. 113.

The engagement partner on the audit resulting in this independent auditor's report is Stavros Pantzaris.

Stavros Pantzaris
Certified Public Accountant and Registered Auditor
for and on behalf of

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Nicosia
12 December 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 September 2023

	Notes	**2023 US$'000**	2022 US$'000
Revenue	5	**649 893**	685 996
Cost of sales	6	**(496 562)**	(440 336)
Gross profit		**153 331**	245 660
Other income	7	**2 372**	720
Net foreign exchange (loss)/gain		**(3 590)**	2 049
Other operating expenses	9	**(57 422)**	(63 880)
Results from operating activities		**94 691**	184 549
Finance income	10	**4 772**	1 376
Finance costs	10	**(7 101)**	(4 758)
Changes in fair value of financial assets at fair value through profit or loss	32	**5 151**	(5 627)
Changes in fair value of financial liabilities at fair value through profit or loss	32	**16 827**	1 521
Gain on acquisition of subsidiary	30	**-**	48 391
Share of loss of investment accounted for using the equity method		**-**	(5 229)
Profit before tax		**114 340**	220 223
Tax	12	**(27 564)**	(53 067)
Profit for the year		**86 776**	167 156
Other comprehensive loss			
Items that may be classified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations, net of tax		**(12 831)**	(69 749)
Other comprehensive loss, net of tax		**(12 831)**	(69 749)
Total comprehensive income for the year		**73 945**	97 407
Profit for the year attributable to:			
Owners of the Company		**82 235**	153 881
Non-controlling interest		**4 541**	13 275
		86 776	167 156
Total comprehensive income for the year attributable to:			
Owners of the Company		**69 404**	87 942
Non-controlling interest		**4 541**	9 465
		73 945	97 407
Earnings per share			
Basic earnings per share (US cents)	13	**27.4**	53.8
Diluted earnings per share (US cents)	13	**27.2**	53.8

The notes on pages 34 to 93 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 September 2023

	Notes	2023 US$'000	2022 US$'000
Assets			
Non-current assets			
Property, plant and equipment	14	**609 694**	569 580
Intangible assets	15	**1 555**	940
Financial and other assets	17	**19 834**	6 019
Deferred tax assets	18	**1 709**	1 174
Total non-current assets		**632 792**	577 713
Current assets			
Inventories	19	**90 080**	73 240
Trade and other receivables	20	**103 741**	149 669
Contract assets	21	**1 876**	2 078
Financial and other assets	17	**2 404**	19
Current taxation		**1 851**	7 302
Cash and cash equivalents	22	**255 300**	143 300
Total current assets		**455 252**	375 608
Total assets		**1 088 044**	953 321
Equity and liabilities			
Share capital and premium	23	**346 293**	345 897
Other reserve	23	**47 245**	47 245
Foreign currency translation reserve	23	**(205 350)**	(192 519)
Retained earnings	23	**427 686**	358 403
Equity attributable to owners of the Company		**615 874**	559 026
Non-controlling interests	23	**59 302**	61 355
Total equity		**675 176**	620 381
Non-current liabilities			
Provisions	24	**19 335**	12 376
Borrowings	25	**76 385**	23 048
Other financial liabilities	26	**11**	16 779
Deferred tax liabilities	18	**110 045**	112 341
Total non-current liabilities		**205 776**	164 544
Current liabilities			
Provisions*	24	**47 715**	50 444
Borrowings	25	**63 271**	39 836
Other financial liabilities	26	**-**	526
Current taxation		**766**	2 056
Trade and other payables*	27	**93 464**	73 456
Contract liabilities	28	**1 876**	2 078
Total current liabilities		**207 092**	168 396
Total liabilities		**412 868**	332 940
Total equity and liabilities		**1 088 044**	953 321

* The provision raised for the ongoing mining royalty dispute at 30 September 2022 of US$50.4 million was presented as part of the trade and other payables line item. This provision has correctly been reclassified from the trade and other payables line item and presented as a provision at 30 September 2023. The prior year reclassification had no impact on any reported totals presented on the statement of financial position nor any impact on the earnings of the Group.

The consolidated financial statements were authorised for issue by the Board of Directors on 12 December 2023.

Phoevos Pouroulis
Director

Michael Jones
Director

The notes on pages 34 to 93 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2023

	Notes	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	Non-controlling interest US$'000	Total equity US$'000
		Attributable to owners of the Company							
Balance at 1 October 2022		**300**	**345 597**	**47 245**	**(192 519)**	**358 403**	**559 026**	**61 355**	**620 381**
Total comprehensive income for the year									
Profit for the year		**-**	**-**	**-**	**-**	**82 235**	**82 235**	**4 541**	**86 776**
Other comprehensive loss									
Foreign currency translation differences	23	**-**	**-**	**-**	**(12 831)**	**-**	**(12 831)**	**-**	**(12 831)**
Total comprehensive (loss)/income for the year		**-**	**-**	**-**	**(12 831)**	**82 235**	**69 404**	**4 541**	**73 945**
Transactions with owners of the Company									
Contributions by and distributions to owners									
Dividends paid	37	**-**	**-**	**-**	**-**	**(20 990)**	**(20 990)**	**-**	**(20 990)**
Issue of ordinary shares	23	**-**	**396**	**-**	**-**	**-**	**396**	**-**	**396**
Increase in shareholding of subsidiaries – Karo Mining Holdings plc	23	**-**	**-**	**-**	**-**	**6 594**	**6 594**	**(6 594)**	**-**
Equity-settled share-based payments	8, 23	**-**	**-**	**-**	**-**	**1 444**	**1 444**	**-**	**1 444**
Contributions by and distributions to owners of the Company		**-**	**396**	**-**	**-**	**(12 952)**	**(12 556)**	**(6 594)**	**(19 150)**
Total transactions with owners of the Company		**-**	**396**	**-**	**-**	**(12 952)**	**(12 556)**	**(6 594)**	**(19 150)**
Balance at 30 September 2023		**300**	**345 993**	**47 245**	**(205 350)**	**427 686**	**615 874**	**59 302**	**675 176**

Companies, which do not distribute 70% of their profits after tax, as defined by the relevant tax law in Cyprus, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31 December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 December of the second year for the year the profits relate. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, from 2019 General Healthcare System contribution at a rate of 1,7% - 2,65%, when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

The notes on pages 34 to 93 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2023

		Attributable to owners of the Company							
	Notes	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	Non-controlling interest US$'000	Total equity US$'000
Balance at 1 October 2021		271	289 547	47 245	(91 848)	199 217	444 432	6 842	451 274
Total comprehensive income for the year									
Profit for the year		-	-	-	-	153 881	153 881	13 275	167 156
Other comprehensive loss									
Foreign currency translation differences	23	-	-	-	(65 939)	-	(65 939)	(3 810)	(69 749)
Total comprehensive (loss)/income for the year		-	-	-	(65 939)	153 881	87 942	9 465	97 407
Transactions with owners of the Company									
Contributions by and distributions to owners									
Dividends paid	37	-	-	-	-	(23 106)	(23 106)	(164)	(23 270)
Issue of ordinary shares	23	29	56 050	-	-	-	56 079	-	56 079
Acquisition of non-controlling interest – Tharisa Minerals (Pty) Ltd	23	-	-	-	(34 732)	25 578	(9 154)	(16 473)	(25 627)
Increase in shareholding of subsidiaries – Karo Mining Holdings plc	23	-	-	-	-	4 509	4 509	(4 509)	-
Acquired through business combination	30	-	-	-	-	-	-	66 181	66 181
Shares issued by subsidiary to non-controlling shareholders	23	-	-	-	-	-	-	13	13
Equity-settled share-based payments	8,23	-	-	-	-	(1 676)	(1 676)	-	(1 676)
Contributions by and distributions to owners of the Company		29	56 050	-	(34 732)	5 305	26 652	45 048	71 700
Total transactions with owners of the Company		29	56 050	-	(34 732)	5 305	26 652	45 048	71 700
Balance at 30 September 2022		300	345 597	47 245	(192 519)	358 403	559 026	61 355	620 381

The notes on pages 34 to 93 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 September 2023

	Notes	2023 US$'000	2022 US$'000
Cash flows from operating activities			
Profit for the year		**86 776**	167 156
Adjustments for:			
Depreciation of property, plant and equipment and amortisation of intangible assets	14	**39 241**	38 796
(Profit)/loss on disposal of property, plant and equipment	14	**(19)**	1 482
Share of loss of investment accounted for using the equity method		**-**	5 229
Impairment of goodwill	15	**-**	1 852
Net realisable value (write down reversal)/write down of inventory	19	**(243)**	3 562
Impairment of property, plant and equipment	14	**-**	8 366
Write off of property, plant and equipment	14	**3 454**	1 328
Expected credit loss allowance (reversal)/raised	20	**(114)**	47
Equity-settled share-based payments	9	**1 999**	1 709
Changes in fair value of financial assets at fair value through profit or loss	32	**(5 151)**	5 627
Changes in fair value of financial liabilities at fair value through profit or loss	32	**(16 827)**	(1 521)
Gain on acquisition of subsidiary	30	**-**	(48 391)
Net foreign exchange loss/(gain)		**3 590**	(2 049)
Interest income	10	**(4 772)**	(1 376)
Interest expense	10	**7 101**	4 758
Tax	12	**27 564**	53 067
		142 599	239 642
Changes in:			
Inventories		**(18 820)**	(28 172)
Trade and other receivables and contract assets		**39 583**	(30 126)
Trade and other payables and contract liabilities*		**744**	12 953
Provisions*		**6 923**	20 576
Cash generated from operations		**171 029**	214 873
Income tax paid	29	**(29 985)**	(41 197)
Tax refunds received		**7 225**	-
Net cash flows generated from operating activities		**148 269**	173 676
Cash flows from investing activities			
Interest received		**4 340**	1 327
Additions to property, plant and equipment	14	**(69 884)**	(105 014)
Additions to intangible assets	15	**(649)**	-
Cash inflow from business combination	30	**-**	4 984
Proceeds from disposal of property, plant and equipment	14	**129**	1 727
Additions to investments accounted for using the equity method	30	**-**	(4 965)
Increase in restricted cash	17	**(14 268)**	-
Refunds from other assets	17	**-**	316
Net cash flows used in investing activities		**(80 332)**	(101 625)
Cash flows from financing activities			
Net proceeds from/(repayment of) bank credit facilities	25	**(23 799)**	22 026
Advances received	25	**180 082**	20 942
Repayment of borrowings	25	**(77 422)**	(14 406)
Principal lease payments	25	**(2 500)**	(3 793)
Dividends paid	37	**(20 990)**	(23 270)
Interest paid		**(6 357)**	(4 017)
Net cash flows generated from/(used in) financing activities		**49 014**	(2 518)
Net increase in cash and cash equivalents		**116 951**	69 533
Cash and cash equivalents at the beginning of the year		**143 300**	83 436
Effect of exchange rate fluctuations on cash held		**(4 951)**	(9 669)
Cash and cash equivalents at the end of the year	22	**255 300**	143 300

* The movement in the disputed mining royalty provision for the year ended 30 September 2022 of US$28.2 million was previously presented as part of the movement in trade and other payables and contract liabilities. The movement has correctly been reclassified from the movement in trade and other payables and contract liabilities line item and presented as part of the movement in provisions during the year ended 30 September 2023. The prior year reclassification had no impact on any reported totals presented on the statement of cash flows nor had any impact on the earnings of the Group.

The notes on pages 34 to 93 are an integral part of these financial statements.

1. CORPORATE INFORMATION

Tharisa plc ('the Company') was incorporated in Cyprus on 20 February 2008 under registration number HE223412. The Company was converted to a public company and accordingly changed its name from Tharisa Limited to Tharisa plc on 19 January 2012. On 10 April 2014, the Company listed its ordinary share capital on the main board of the Johannesburg Stock Exchange ('JSE') as the primary listing. On 8 June 2016 the Company listed its ordinary share capital as a standard secondary listing on the main board of the London Stock Exchange ('LSE'). On 6 February 2019 the Company listed its ordinary share capital as a secondary listing on the A2X Exchange in South Africa.

The Company's registered office is at Sofoklis Pittokopitis Business Centre, Offices 108-110, 17 Neophytou Nicolaides and Kilkis Streets, 8011 Paphos, Cyprus.

The principal activity of the Group is the exploitation of metals and minerals, principally platinum group metals ('PGMs') and chrome, the associated sales and logistics operations thereof as well as the development of a PGM mining project.

On 9 February 2009, the Company acquired 74.0% of the share capital of Tharisa Minerals Proprietary Limited ('Tharisa Minerals'), a company established in South Africa. The principal activity of Tharisa Minerals is PGM and chrome mining and processing. On 16 February 2022, the Company acquired an additional 20.0% of the issued share capital of Tharisa Minerals from a non-controlling shareholder increasing its shareholding to 94.0%. On 20 May 2022, the Company acquired the remaining 6.0% of the issued share capital of Tharisa Minerals resulting in Tharisa Minerals becoming a wholly-owned subsidiary of the Company.

On 2 November 2010, the Company incorporated Tharisa Investments Limited, a company established in Cyprus. The principal activity of Tharisa Investments Limited is that of investment holding.

On 15 February 2012, Tharisa Investments Limited incorporated Tharisa Fujian Industrial Co., Ltd, a company established in China. The principal activity of Tharisa Fujian Industrial Co., Ltd is that of ferrochrome smelting. Tharisa Fujian Industrial Co., Ltd has not commenced operations up to the date of this report.

On 4 February 2011, the Company incorporated Arxo Resources Limited, a company established in Cyprus. The principal activity of Arxo Resources Limited is the selling and distribution of chrome concentrates. On 7 December 2011, Arxo Resources Limited incorporated Arxo Metals Proprietary Limited, a company established in South Africa. The principal activity of Arxo Metals Proprietary Limited is metal processing. It currently produces foundry and chemical grade chrome concentrates, operates a chrome plant owned by a third party and is involved in various research and development test work, more specifically test work relating to the beneficiation of PGM concentrates.

On 1 March 2011, the Company acquired 100% of the share capital of Arxo Logistics Proprietary Limited, a company established in South Africa. The principal activity of Arxo Logistics Proprietary Limited is the provision of logistics services.

On 31 May 2011, the Company incorporated Tharisa Administration Services Limited ('Tharisa Administration'), a company established in Cyprus. Tharisa Administration provides management and administration services to the Group. On 1 April 2013, Tharisa Administration acquired Braeston Proprietary Limited, a company established in South Africa. The principal activity of Braeston Proprietary Limited is the provision of management services to the Group. On 19 July 2018, Braeston Proprietary Limited incorporated Ubhova Security Proprietary Limited, a company incorporated in South Africa. The principal activity of Ubhova Security Proprietary Limited is the provision of security services.

On 30 May 2013, the Company incorporated Dinami Limited, a company established in Guernsey. The principal activity of Dinami Limited is the provision of consultancy services in relation to the sale of the Group's foundry and chemical grade chrome concentrate products. Limited operations were conducted during the financial years ended 30 September 2023 and 30 September 2022.

On 12 June 2018, the Company acquired a 26.8% shareholding in Karo Mining Holdings plc ('Karo Mining'), a company incorporated in Cyprus. The principal activity of Karo Mining is that of an investment holding company. On 30 March 2022, the Company acquired a controlling interest in Karo Mining by increasing its shareholding to 66.34%. Subsequent to acquiring the controlling interest in Karo Mining, the Company increased its shareholding in Karo Mining to 70.0% by subscribing for additional shares issued by Karo Mining during the period 1 April 2022 to 30 September 2022. During the year ended 30 September 2023, the Company subscribed for additional shares issued by Karo Mining increasing the Company's shareholding to 75.0%.

The main subsidiary of Karo Mining is Karo Zimbabwe Holdings (Private) Limited, a company incorporated in Zimbabwe. Karo Zimbabwe Holdings (Private) Limited is the holding company of Karo Platinum (Private) Limited, Karo Power Generation (Private) Limited, Karo Refining (Private) Limited and Karo Coal Mines (Private) Limited. All subsidiary companies of Karo Zimbabwe Holdings (Private) limited are incorporated in Zimbabwe. The functional currency of these entities is the United States Dollar.

1. CORPORATE INFORMATION (continued)

On 29 June 2018, the Company incorporated Arxo Finance plc, a company incorporated in Cyprus. The principal activity of Arxo Finance plc is to provide funding for Group entities.

On 1 October 2019, the Company acquired 100% of the share capital of MetQ Proprietary Limited ('MetQ'), a company established in South Africa. The principal activity of MetQ is the manufacturing of mining equipment.

On 31 March 2021, the Company acquired 100% of the share capital of Salene Chrome Zimbabwe (Private) Limited ('Salene Chrome'), a company incorporated in Zimbabwe. Salene Chrome's principal activity is exploration and mining. Salene Chrome has been awarded special grants under the Zimbabwe Mines and Minerals Act on the Eastern and Western sides of the Great Dyke in Zimbabwe, which entitles it to mine the minerals thereon.

On 19 April 2021, the Company incorporated Arxo Prospecting (Cyprus) Limited, a company established in Cyprus. The principal activity of Arxo Prospecting (Cyprus) Limited is the prospecting for minerals and metals. Limited operations were conducted during the financial years ended 30 September 2023 and 30 September 2022.

On 20 April 2021, the Company incorporated Arxo Exploration (Cyprus) Limited, a company established in Cyprus. The principal activity of Arxo Exploration (Cyprus) Limited is the exploration for various metals and minerals. Limited operations were conducted during the financial years ended 30 September 2023 and 30 September 2022.

On 30 June 2021, the Company incorporated Arxo Technologies Limited, a company established in Cyprus. The principal activity of Arxo Technologies Limited is to perform research and development operations. Limited operations were conducted during the financial years ended 30 September 2023 and 30 September 2022.

On 16 December 2021, the Company incorporated Skyler Storm (Private) Limited, a company established in Zimbabwe. The principal activity of Skyler Storm (Private) Limited is to perform mining and beneficiation of chrome concentrate operations. Limited operations were conducted during the financial years ended 30 September 2023 and 30 September 2022.

On 18 April 2022, the Company incorporated Redox One Limited, a company established in Cyprus. The principal activity of Redox One Limited is to perform research and development operations, specifically in renewable energy solutions.

2.1. BASIS OF PREPARATION

Statement of compliance
These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRSs'), the Listings Requirements of the Johannesburg Stock Exchange and the requirements of the Cyprus Companies Law, Cap. 113. Statutory consolidated financial statements of the Company were additionally prepared in accordance with IFRS as adopted by the EU and the requirements of the Cyprus Companies Law, Cap. 113. These have been approved and issued on the same date and there are no differences in the two sets of consolidated financial statements.

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

Accounting policies
The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. Where an accounting policy is specific to a note, the policy is described in the note which it relates to. These policies have consistently been applied to all years presented.

Functional and presentation currency
The 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 consolidated financial statements:

- Closing rate: ZAR18.91 (2022: ZAR18.07)
- Average rate: ZAR18.18 (2022: ZAR15.82)

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

Refer to note 32 for statements on the Group's objectives, policies and processes for managing its capital, details of its financial instruments and hedging activities; its exposures to market risk in relation to commodity prices and foreign exchange risks; interest rate risk; credit risk; and liquidity risk.

2.2. STANDARDS AND INTERPRETATIONS ADOPTED IN THE CURRENT YEAR

The Group has adopted the following new and/or revised standards and interpretations which became effective for the year ended 30 September 2023 for which the nature and effect of the changes as a result of the adoption of these new accounting standards are described below:

Annual Improvements to IFRS Standards 2018-2020
As part of its process to make non-urgent but necessary amendments to IFRS Standards, the IASB has issued the Annual Improvements to IFRS Standards 2018–2020. The amendment applicable to the Group relates to IFRS 9 and clarifies which fees should be included in the 10% test for derecognition of financial liabilities. The amendment has been applied prospectively and had no impact on the Group's results for the year ended 30 September 2023.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g. the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g. depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments apply to contracts for which an entity has not yet fulfilled all of its obligations at the beginning of the current financial year. The adoption of these amendments had no impact on the Group's results for the year ended 30 September 2023.

Reference to the Conceptual Framework – Amendments to IFRS 3
The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. These amendments had no impact on the Group's results for the year ended 30 September 2023.

2.3. 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 these new standards, interpretations and amendments 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 any of the standards, amendments and interpretations. 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 and non-current liabilities with covenants - Amendments to IAS 1
The International Accounting Standards Board (IASB) issued Classification of Liabilities as Current or Non-current and non-Current liabilities with Covenants, which amends IAS 1 Presentation of Financial Statements. The amendments affect requirements in IAS 1 for the classification of liabilities as current or non-current. The amendments clarify what is meant by a right to defer settlement, that a right to defer settlement must exist at the end of the reporting period, the classification is unaffected by the likelihood that an entity will exercise its deferral right, that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification, as well as the required disclosures in this regard. The amendment must be applied retrospectively and is effective for annual periods beginning on or after 1 January 2024. These amendments is not expected to have a material impact on the Group.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
In May 2021, the IASB issued amendments to IAS 12 Income Taxes which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a decommissioning asset and decommissioning liability (or lease asset or lease liability) give rise to taxable and deductible temporary differences that are not equal.

An entity should apply the amendments to transactions that occur on or after the beginning of the earliest comparative period presented and is effective for annual periods beginning on or after 1 January 2023. This amendment is not expected to have a material impact on the Group.

2.3. STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (continued)

Definition of Accounting Estimate – Amendments to IAS 8

The IASB has issued amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (IAS 8) to clarify how entities should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. This is due to the term "accounting estimate" not being defined and the previous definition of a "change in accounting estimate" being unclear.

The amendments introduce a new definition for accounting estimates, clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendment must be applied prospectively and is effective for annual periods beginning on or after 1 January 2023. This amendment is not expected to have a material impact on the Group.

Disclosure of Accounting Policies – Amendments to IAS 1

To assist preparers of financial statements, the IASB had previously refined its definition of 'material' (effective 1 January 2020) and issued non-mandatory practical guidance on applying the concept of materiality. As the final step of the materiality improvements, the IASB issued amendments on the application of materiality to the disclosure of accounting policies. The key amendments include requirements for entities to disclose their material accounting policies rather than their significant accounting policies as well as certain clarifications regarding accounting policies related to material transactions or events.

The amendment must be applied prospectively and is effective for annual periods beginning on or after 1 January 2023. This amendment is not expected to have a material impact on the Group.

International Tax Reform – Pillar Two Model Rules - Amendments to IAS 12

In May 2023, the IASB issued amendments to IAS 12, which introduce a mandatory exception in IAS 12 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development, including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively. The amendments require an entity to disclose that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. An entity is required to separately disclose its current tax expense (income) related to Pillar Two income taxes, in the periods when the legislation is effective. The disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2023. The Company is currently assessing the impact of these amendments.

2.4. BASIS OF CONSOLIDATION

The consolidated financial statements include, on a line-by-line basis, the financial statements of all subsidiaries.

The following policies have been applied during the consolidation process:

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists where the Group is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which the control commenced until the date on which control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Foreign operations

As at the reporting date and on consolidation, the assets and liabilities of foreign subsidiaries, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency of the Group (US$) at the rate of exchange ruling at the reporting date and their statements of comprehensive income are translated at the weighted monthly average exchange rate for the period. The exchange differences arising in the translation on consolidation are recognised in other comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

Non-current monetary assets that are receivable from a foreign subsidiary and for which settlement is neither planned nor likely to occur in the foreseeable future, forms part of the net investment in a foreign operation and the resulting exchange differences are recognised in other comprehensive income. The repayment of such a balance is not considered to be a partial disposal and the cumulative exchange differences recognised in other comprehensive income is not reclassified to profit and loss, until the foreign entity is disposed of.

2.4. BASIS OF CONSOLIDATION

Foreign currency transactions
Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss. Foreign currency gains and losses are reported on a net basis.

Loss of control
When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any relating gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

3. USE OF JUDGEMENTS AND ESTIMATES

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgements and estimates made by management in the application of IFRS that have a significant effect on the consolidated financial statements and major sources of estimation uncertainty are disclosed in the note relevant to the specific judgement or estimate.

4. OPERATING SEGMENTS

Accounting policy
Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations. The Board of Directors is of the view that the Group had four operating segments during the reporting period, the PGM segment, the chrome segment, the agency and trading segment and the manufacturing segment. The following is a description of the Group's current principal activities separated by reportable segment, from which the Group recognises its revenue.

PGM segment
The PGM segment principally generates revenue from the sale of PGM concentrate, which consists of the sale of platinum, palladium, rhodium, gold, ruthenium, iridium, nickel and copper. The Group enters into off-take agreements with customers for the supply of PGM concentrate.

Chrome segment
The Group currently produces metallurgical chrome concentrate and specialty chrome concentrates. It generates revenue from the sale of these products. The chrome market is typically a 'spot' market. The Group enters into short-term sale contracts. The Group also enters into long-term volume off-take agreements for the supply of chrome concentrates.

Agency and trading segment
The Group operates a third party chrome plant and markets and sells the chrome concentrate produced at this plant. The Group determines whether it acts as principal or agent by assessing whether the Group controls the transaction and what its performance obligations are. Considerations to determine control include whether the Group provides the performance obligation itself, the Group is primarily responsible for fulfilling the promise to provide the specified chrome concentrates, the Group has inventory risk before the specified products are transferred to the customer and the Group determines the selling price. In the absence of any of the aforementioned factors, control of the transaction may be doubtful and the Group would recognise the margin achieved in revenue as an agent. The Group believes that these factors are present and consequently the Group acts as principal. Metallurgical chrome concentrates are produced at this plant. The Group enters into short-term contracts for the sale of these chrome concentrates.

From time-to-time the Group enters into third-party logistics, third-party trading and third party chrome operations transactions which are aggregated together as the agency and trading segment.

4. OPERATING SEGMENTS (continued)

Accounting policy (continued)
Manufacturing segment
The Group manufactures and sells mining and mineral processing equipment which represents the manufacturing segment.

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 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 integrated 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 information.

2023	PGM US$'000	Chrome US$'000	Agency and trading US$'000	Manufacturing US$'000	Total US$'000
Revenue	**198 498**	**389 972**	**55 961**	**5 462**	**649 893**
Cost of sales					
Manufacturing costs	**(153 267)**	**(176 903)**	**(37 275)**	**(4 372)**	**(371 817)**
Selling costs	**(550)**	**(78 713)**	**(9 002)**	**-**	**(88 265)**
Freight services	**-**	**(32 133)**	**(4 347)**	**-**	**(36 480)**
	(153 817)	**(287 749)**	**(50 624)**	**(4 372)**	**(496 562)**
Gross profit	**44 681**	**102 223**	**5 337**	**1 090**	**153 331**
2022					
Revenue	346 781	295 178	40 526	3 511	685 996
Cost of sales					
Manufacturing costs	(193 362)	(90 799)	(21 190)	(3 229)	(308 580)
Selling costs	(785)	(69 490)	(9 238)	-	(79 513)
Freight services	-	(45 475)	(6 768)	-	(52 243)
	(194 147)	(205 764)	(37 196)	(3 229)	(440 336)
Gross profit	152 634	89 414	3 330	282	245 660

The shared costs relating to the manufacturing 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. During the year ended 30 September 2023, the relative sales value of chrome concentrates increased compared to the relative sales value of PGM concentrate compared to the comparative year and consequently the allocation basis of shared costs was revised to 45.0% for PGM concentrate and 55.0% for chrome concentrates. The allocation basis of shared costs was 70.0% (PGM concentrates) and 30.0% (chrome concentrate) for the year ended 30 September 2022.

Cost of sales includes a charge for the write off of property, plant and equipment totalling US$3.2 million (2022: US$1.3 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. Refer to the consolidated statement of profit or loss for a reconciliation between the gross profit and net profit after tax.

4. OPERATING SEGMENTS (continued)

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').

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

2023	PGM US$'000	Chrome US$'000	Agency and trading US$'000	Manufacturing US$'000	Total US$'000
South Africa	**198 498**	**47 365**	**3 686**	**5 081**	**254 630**
China	**-**	**170 659**	**52 275**	**-**	**222 934**
Singapore	**-**	**133 103**	**-**	**-**	**133 103**
Hong Kong	**-**	**17 313**	**-**	**-**	**17 313**
Australia	**-**	**5 381**	**-**	**-**	**5 381**
United Arab Emirates	**-**	**16 029**	**-**	**-**	**16 029**
Japan	**-**	**122**	**-**	**-**	**122**
Other countries	**-**	**-**	**-**	**381**	**381**
	198 498	**389 972**	**55 961**	**5 462**	**649 893**
2022					
South Africa	346 781	47 276	4 040	2 703	400 800
China	-	96 388	24 554	-	120 942
Singapore	-	79 779	5 485	-	85 264
Hong Kong	-	59 536	1 433	-	60 969
Australia	-	3 358	-	-	3 358
Japan	-	8 748	4 846	-	13 594
Other countries	-	93	168	808	1 069
	346 781	295 178	40 526	3 511	685 996

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% (2022: 5.0%) of the Group's revenues.

	2023 Segment	2023 US$'000	2022 Segment	2022 US$'000
Customer 1	**PGM**	**128 131**	PGM	262 073
Customer 2	**Chrome**	**118 978**	PGM and Agency and trading	84 449
Customer 3	**Chrome and Agency and trading**	**51 187**	Chrome	53 721
Customer 4	**Chrome and Agency and trading**	**48 854**	Chrome and Agency and trading	49 160
Customer 5	**PGM**	**41 543**	Chrome and Agency and trading	37 487
Customer 6	**Chrome and Agency and trading**	**39 100**	-	-

(ii) Specified non-current assets	2023 US$'000	2022 US$'000
South Africa	**346 389**	350 008
Zimbabwe	**263 656**	220 152
Cyprus	**1 204**	360
	611 249	570 520

Non-current assets includes property, plant and equipment and intangible assets.

Judgement and estimates

Third-party logistics, third-party trading and third party chrome operations are evaluated individually but aggregated together as the agency and trading segment. The Group believes that the nature of these operations are similar and it will be impractical to report on these operations individually. Consequently, these operations have been aggregated together as the agency and trading segment.

5. REVENUE

Accounting policy

Sales revenue is recognised on individual sales when control transfers to the customer. Control transfers to the customer upon satisfaction of performance obligations within each contract. In most instances, control passes and sales revenue is recognised when the product is delivered to the vessel or vehicle on which it will be transported to the destination port or the customer's premises. There may be circumstances when judgment is required based on the five indicators of control below:

- The customer has the significant risks and rewards of ownership and has the ability to direct the use of, and obtain substantially all of the remaining benefits from the good or service.
- The customer has a present obligation to pay in accordance with the terms of the sales contract. For shipments under the Incoterms Cost, Insurance and Freight ('CIF') this is generally when the ship is loaded, at which time the obligation for payment is for both product and freight.
- The customer has accepted the asset. Sales revenue may be subject to adjustment if the product specification does not conform to the terms specified in the sales contract but this does not impact the passing of control.
- The customer has legal title to the asset. The Group usually retains legal title until payment is received for credit risk purposes only.
- The customer has physical possession of the asset. This indicator may be less important as the customer may obtain control of an asset prior to obtaining physical possession, which may be the case for goods in transit.

Revenue is presented net of Value Added Tax, rebates and discounts and after eliminating intergroup sales.

PGM revenue

Revenue from the sale of PGM concentrate is recognised based on the quantity of PGM concentrate delivered, prevailing market prices and exchange rates, when delivered to the customers in terms of the off-take agreements. Revenue recognised includes variable consideration as revenue is subject to quality and quantity adjustments, final pricing and currency adjustments after the beneficiation process is completed. Revenue recognised is adjusted for expected final adjustments based on finally determined quality, quantity and spot rates, which are estimated based on prevailing market information and recognised as a separate component within revenue. Adjustments to the sale price occur based on movements in the metal market prices and exchange rates up to the date of final pricing.

Any subsequent changes that arise due to differences between initial and final assay are still considered within the scope of IFRS 15 and are subject to the constraint on estimates of variable consideration. When considering the initial assay estimate, the Group has considered the requirements of IFRS 15 in relation to the constraint on estimates of variable consideration. It will only include amounts in the calculation of revenue where it is highly probable that a significant revenue reversal will not occur when the uncertainty relating to final quantity/assay/quality is subsequently determined.

Consequently, at the time the concentrate passes to the customer, the Group will recognise a receivable as from that time it considers it has an unconditional right to consideration. This receivable is accounted for in accordance with IFRS 9.

The provisional pricing features means the concentrate receivable fails to meet the requirements to be measured at amortised cost. Instead, the entire receivable is measured at fair value, with subsequent movements being recognised in profit or loss (refer to note 20).

Chrome and agency and trading revenue

Revenue arising from chrome concentrate sales under short-term sale contracts and off-take agreements is recognised when the chrome concentrate is delivered and a customer takes control of the chrome concentrate. Revenue is recognised based on the fixed sale price in terms of the contract, the quantity delivered and the quality as determined by an independent survey. Export sales may, as specified in the contract, be subject to a final survey upon arrival at destination port. Revenue recognised for export sales is adjusted for expected final quality and quantity adjustments, which are estimated based on historical data for similar transactions.

The majority of the Group's metallurgical chrome concentrate is exported. For these export sales, the point of revenue recognition is dependent on the contract sales terms, known as the International Commercial Terms ('Incoterms'). For the Incoterms Cost, Insurance and Freight ('CIF') the seller must contract for and pay the costs and freight necessary to bring the goods to the named port of destination. This means that the Group is responsible (acts as principal) for providing shipping services and, in some instances, insurance after the date at which control of goods passes to the customer at the loading port.

Consequently, the freight service on export commodity contracts with CIF Incoterms represents a separate performance obligation as defined under IFRS 15 and as such, a portion of the revenue earned under these contracts, representing the obligation to perform the freight service, is deferred and recognised over time as the obligation is been fulfilled, along with the associated costs (refer to notes 21 and 28).

Since separate performance conditions exist for export commodity contracts with CIF Incoterms, the Group allocates the transaction price to the separate performance conditions on a relative stand-alone selling price basis. Observable information with specific reference to sea freight costs is used for allocation of the transaction price.

5. REVENUE (continued)

Accounting policy: chrome and agency and trading revenue (continued)
The Group also provides inland logistics services to customers. These services include ad hoc short-haul logistics services. Revenue from ad hoc short-haul logistics services is recognised at a point in time as the performance obligation has been fulfilled which is the delivery of the specified goods. Any earned consideration, which is conditional, will be recognised as a contract asset rather than a trade and other receivable.

Revenue is also generated from consulting services rendered. These services include geological, marketing and administration services. Revenue is recognised over time, using an input method to measure progress towards complete customer satisfaction.

Payment terms and conditions vary by contract type and delivery method, although for Free Carrier ('FCA') sales terms generally include a requirement of payment upon completion of delivery of the products. For export chrome concentrate transactions, payment terms vary from 30 to 90 days, however, the Group obtains a letter of credit from a reputable bank in most instances before shipment occurs.

In the instance where the timing of revenue recognition differs from the timing of invoicing, the Group has determined that due to the short-term nature, the contracts with customers generally do not include a significant financing component. The primary purpose of the Group's invoicing terms is to provide customers with simplified and predictable ways of purchasing products, not to receive financing from customers or to provide financing to customers. Similarly, due to the short-term nature of unearned revenue received, being less than 12 months. No financing component exists in line with the applied practical expedient in IFRS15.

Commissions recognised from costs to obtain a contract with a customer
The Group recognises the incremental costs, arising from the concluding of sale contracts, as expenses in cost of sales in the statement of profit or loss when incurred. Such commissions relate to the chrome segment and are short-term in nature.

Manufacturing revenue
Revenue from the sale of mining equipment is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment at the customer's location. The Group considers whether there are other undertakings in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of mining equipment, the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the customer. Currently there aren't any other undertakings. Revenue is presented net of Value Added Tax, rebates and discounts.

2023	PGM US$'000	Chrome US$'000	Agency and trading US$'000	Manufacturing US$'000	Total US$'000
Revenue recognised at a point in time					
Variable revenue based on initial results	**218 843**	**313 648**	**49 737**	**-**	**582 228**
Quality and quantity adjustments	**(5 289)**	**(3 174)**	**(100)**	**-**	**(8 563)**
Revenue based on fixed selling prices	**-**	**47 365**	**1 977**	**5 462**	**54 804**
Revenue recognised over time					
Freight services	**-**	**32 133**	**4 347**	**-**	**36 480**
Revenue from contracts with customers	**213 554**	**389 972**	**55 961**	**5 462**	**664 949**
Fair value adjustments (refer to note 32)	**(15 056)**	**-**	**-**	**-**	**(15 056)**
Total revenue	**198 498**	**389 972**	**55 961**	**5 462**	**649 893**
2022					
Revenue recognised at a point in time					
Variable revenue based on initial results	360 082	204 178	29 856	-	594 116
Quality and quantity adjustments	(27 573)	(1 751)	(24)	-	(29 348)
Revenue based on fixed selling prices	-	47 276	3 926	3 511	54 713
Revenue recognised over time					
Freight services	-	45 475	6 768	-	52 243
Revenue from contracts with customers	332 509	295 178	40 526	3 511	671 724
Fair value adjustments (refer to note 32)	14 272	-	-	-	14 272
Total revenue	346 781	295 178	40 526	3 511	685 996

During the year ended 30 September 2023, revenue from freight services of US$2.1 million (2022: US$2.4 million) was recognised which was classified as a contract liability at 30 September 2022 (2022: 30 September 2021).

The year ended 30 September 2023 includes a reversal of quality and quantity adjustments of US$4.1 million (2022: US$1.4 million additional revenue) relating to PGM revenue and US$0.1 million (2022: US$0.5 million) increase in revenue relating to chrome revenue which was based on finalised prices and surveys that became available during the current year for provisional PGM and chrome revenue transactions recognised during the year ended 30 September 2022.

5. REVENUE (continued)

Judgements and estimates

A significant portion of the Group's chrome revenue is derived from commodity sales for which the point of recognition is dependent on the contract sales terms known as the International Commercial Terms ('Incoterms'). Under Incoterms cost, insurance and freight ('CIF'), the seller is required to contract, and pay, for the costs and freight necessary to bring the goods to a named port of destination.

Consequently, the Group believes that the freight service on export commodity contracts with CIF Incoterms represents a separate performance obligation as defined under IFRS 15 and as such, a portion of the revenue earned under these contracts, representing the obligation to perform the freight service, is deferred and recognised over time as the obligation is fulfilled, along with the associated costs.

Since separate performance conditions exist for export commodity contracts with CIF Incoterms, the Group allocates the transaction price to the separate performance conditions on a relative stand-alone selling price basis. Observable information with specific reference to sea freight costs is used for allocation of the transaction price.

The determination of revenue from the sale of PGM concentrates from the time of initial recognition of the sale through to final pricing requires management to re-estimate fair value of the price adjustment feature continuously. Management determines this with reference to actual spot prices.

6. COST OF SALES

Accounting policy: provident funds

The Group's salaried employees in South Africa are members of defined contribution retirement benefit plans. The contributions to the plans range from a minimum of 3.0% to a maximum of 15.0% of staff's pensionable salary. Contributions to the plans vest immediately. Contributions are accrued in the year in which the associated services are rendered by employees. The Group's employees in Cyprus do not participate in group retirement benefit plans.

Accounting policy: short term benefits

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months from the reporting date are calculated at undiscounted amounts based on remuneration rates that the Group expects to pay as at the reporting date including related costs, such as workers compensation insurance and payroll tax. Non-accumulating monetary benefits such as medical aid contributions are expensed as the benefits are taken by the employees.

2023	Mining US$'000	Processing US$'000	Manufacturing US$'000	Total US$'000
Drill and blast	31 097	-	-	31 097
Load and haul	29 614	-	-	29 614
Diesel	43 122	1 562	-	44 684
Maintenance	29 871	4 319	-	34 190
Salaries and wages	33 686	16 040	1 269	50 995
Provident fund contributions	2 145	2 474	129	4 748
Mining contractor	1 797	-	-	1 797
Depreciation	27 422	9 487	116	37 025
Cost of commodities*	56 766	28 688	-	85 454
Write off of property, plant and equipment	3 208	-	-	3 208
Utilities	910	16 732	82	17 724
Materials and consumables	-	26 409	2 380	28 789
Overheads	797	2 606	396	3 799
Contractor and equipment hire	-	5 483	-	5 483
	260 435	113 800	4 372	378 607
State royalties				9 714
Change in inventories – finished products and ore stockpile				(16 504)
Selling costs				88 265
Freight services				36 480
Cost of sales				496 562

* Due to certain limitations on mining activities, Tharisa Minerals Proprietary Limited purchased ROM ore to maintain optimal plant throughput.

6. COST OF SALES (continued)

2022	Mining US$'000	Processing US$'000	Manufacturing US$'000	Total US$'000
Drill and blast	26 842	-	-	26 842
Load and haul	25 379	-	-	25 379
Diesel	36 707	-	-	36 707
Maintenance	29 964	-	-	29 964
Salaries and wages	29 172	16 376	1 277	46 825
Provident fund contributions	3 738	2 109	118	5 965
Mining contractor	2 210	-	-	2 210
Depreciation	21 303	15 186	104	36 593
Cost of commodities	20 270	-	-	20 270
Write off of property, plant and equipment	1 313	-	-	1 313
Utilities	-	16 408	50	16 458
Materials and consumables	-	19 927	2 073	22 000
Overheads	-	6 528	235	6 763
Contractor and equipment hire	-	14 840	-	14 840
	196 898	91 374	3 857	292 129
State royalties				31 082
Change in inventories – finished products and ore stockpile				(14 631)
Selling costs				79 513
Freight services				52 243
Cost of sales				440 336

7. OTHER INCOME

Accounting policy: sundry sales
Proceeds from the sale of scrap metals are recognised as sundry sales when the right to receive payment has been established.

Accounting policy: rental income
Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

	2023 US$'000	2022 US$'000
Insurance proceeds received	**1 497**	-
Profit on disposal of property, plant and equipment	**19**	-
Reversal of credit loss allowance	**114**	-
Sundry sales	**573**	629
Consulting fees received	**152**	74
Rental income – as lessor	**17**	17
	2 372	720

8. SHARE-BASED PAYMENTS

Accounting policy

Equity settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity settled share-based transactions are set out in the supporting notes.

The fair value determined at the grant date of the equity settled share-based payment is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in the equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The amount recognised as an expense is adjusted to reflect the revision of the original estimate.

Where the Company has the right to elect settlement either equity settled or cash settled, the share-based payment transactions will be treated as equity settled share-based payments.

Conditional awards ('LTIP') is the grant of shares in the Company where the risks and rewards of share ownership will vest on specific vesting dates with the employee subject to certain conditions. LTIPs vested in three equal tranches for the 2019 and 2020 Awards and will vest at the third anniversary of the grant for the 2021 and 2022 Awards. The award, on vesting, may at the election of the Company, be either cash-settled or share-settled as provided for in the rules of the Plan.

Appreciation rights ('SARS') is the grant of an award by the Company where the employee is, subject to certain conditions, entitled to receive the increase in the share value above the award price. The awards may be exercised at any time up to five years from the date of the grant. The appreciation in value may, at the election of the Company, be either cash settled or share settled as provided for in the rules of the Plan. No SARS were issued during the years ended 30 September 2023 and 30 September 2022.

At 30 September 2023, the Group had the following share-based payment arrangements:

2019 Award – third tranche

The sixth award was made on 30 June 2019, comprising LTIPs and SARS. The third (final) tranche vested at 30 June 2022 for LTIPs while the second (final) tranche for SARS vested at 30 June 2021. The final tranche for SARS will expire at 30 June 2024.The vesting of these awards was subject to the following performance conditions and subject to there being no fatality during the vesting periods:

- 33.3% of each tranche of the LTIP and the SARS was subjected to continuing employment in good standing (as determined by the Remuneration Committee) during the applicable vesting period.
- 16.67% of each tranche of the LTIP and SARS was subjected to the production of a minimum of 177.6 koz of PGMs during the first twelve month period, second twelve month period or third twelve month period, respectively (in the case of the SARS the 1st twelve month period or 2nd twelve month period, respectively). However 8.34% of each such tranche of the LTIP and SARS would have vested if the production during the applicable twelve month period was below 177.6 koz of PGMs but above 168.7 koz of PGMs. The award would have been forfeited if production in any applicable twelve month was below 168.7 koz of PGMs.
- 16.67% of each tranche of the LTIP and SARS was subjected to the production of a minimum of 1.57 Mt of chrome concentrates during the first twelve month period, second twelve month period or third twelve month period, respectively (in the case of the SARS the 1st twelve month period or 2nd twelve month period, respectively). However 8.34% of each such tranche of the LTIP and SARS would have vested if the production during the applicable twelve month period was below 1.57 Mt of chrome concentrates but above 1.49 Mt of chrome concentrates. The award would have been forfeited if production in any applicable twelve month was below 1.49 Mt of chrome concentrates.
- 33.3% of each tranche of the LTIP and SARS was subjected to the Earnings Before Interest, Tax, Depreciation and Amortization ('EBITDA') of the Tharisa Group at least meeting the board approved budget for the twelve month period commencing on 1 July and ending the following year on 30 June, with the EBITDA being adjusted for the actual commodity selling prices and exchange rate (US$:ZAR). However, 16.66% of each tranche of the LTIP and SARS would have vested if the applicable EBITDA was below the budgeted EBITDA (as recalculated) but equal to or above 95% of the budgeted EBITDA (as recalculated). The award would have been forfeited if EBITDA in the applicable twelve month period was below 95% of the budgeted EBITDA (as adjusted).

2020 Award – third tranche

The seventh award was made on 30 June 2020, comprising LTIPs only and the third (final) tranche vested at 30 June 2023. The vesting of these awards was subject to the following performance conditions and subject to there being no fatality during the vesting periods and continued employment in good standing:

- 40% of the vesting will be subject to achieving at least the market guidance for PGM production as publicly disclosed and referenced to the commencement of the respective financial reporting period (it being noted that the vesting period and financial year are not coterminous);
- 40% of the vesting will be subject to achieving at least the market guidance for chrome concentrate production as publicly disclosed and referenced to the commencement of the respective financial reporting period (it being noted that the vesting period and financial year are not coterminous), adjusted to exclude the production from the Vulcan Plant;
- 20% of the vesting will be subject to achieving at least 90% of the Vulcan Plant's nameplate production capacity of 480 kt of in-spec chrome concentrate production.

8. SHARE-BASED PAYMENTS (continued)

2021 Award

The eighth award was made on 8 December 2021 comprising LTIPs only with the measurement period being aligned to the Group's financial year-end of 30 September. This award will vest on the third anniversary of the grant, being 8 December 2024.The three-year vesting period is divided into three annual measurement periods at 30 September, the result of each being aggregated at the end of the vesting period to determine the final vesting percentage. The vesting of these awards is subject to continued employment in good standing and the following performance conditions:

- 33.33% of the vesting will be subject to achieving at least the market guidance for PGM production as publicly disclosed and referenced to the commencement of the respective financial reporting period.
- 33.33% of the vesting will be subject to achieving at least the market guidance for chrome concentrate production as publicly disclosed and referenced to the commencement of the respective financial reporting period.
- 33.34% of the vesting will be subject to achieving certain strategic measures. All three interim measurement periods will be based on an equal allocation to:
  - Return on invested capital exceeding the weighted average cost of capital of the Group.
  - Performance against the ESG Plan.
  - Tracking on achievement of Vision 2025.

The award will be reduced in each annual measurement period by one-third for each fatality that occurred during that measurement period. For avoidance of doubt, if any performance condition is not met in any annual measurement period and consequently is forfeited (either wholly or partially) as a result of failure to achieve the performance condition, but the performance condition is achieved in subsequent measurement periods the award will vest for that period as provided.

2022 Award

The ninth award was made on 16 January 2023 comprising LTIPs only with the measurement period being aligned to the Group's financial year-end of 30 September. This award will vest on the third anniversary of the grant, being 15 January 2026.The three-year vesting period is divided into three annual measurement periods at 30 September, the result of each being aggregated at the end of the vesting period to determine the final vesting percentage. The vesting of these awards is subject to continued employment in good standing and the following performance conditions:

- 20.00% of the vesting will be subject to achieving at least the market guidance for PGM production as publicly disclosed and referenced to the commencement of the respective financial reporting period.
- 20.00% of the vesting will be subject to achieving at least the market guidance for chrome concentrate production as publicly disclosed and referenced to the commencement of the respective financial reporting period.
- 20.00% of the vesting will be subject to achieving certain of the Karo Platinum Project deliverables.
- 20.00% of the vesting will be subject to the three-year rolling average return on invested capital exceeding the three-year rolling weighted average cost of capital.
- 10.00% of the vesting will be subject to the performance against the environmental plan to reduce carbon emissions by 30% by 2030.
- 10.00% of the vesting will be subject to achieving the Group's vision 2025.

For avoidance of doubt, if any performance condition is not met in any annual measurement period and consequently is forfeited (either wholly or partially) as a result of failure to achieve the performance condition, but the performance condition is achieved in subsequent measurement periods the award will vest for that period as provided.

The awards are subject to the rules governing the Plan and the final discretion of the Tharisa plc Remuneration Committee will prevail should there be any discrepancy.

8. SHARE-BASED PAYMENTS (continued)

LTIP valuation of share award at grant date:	First measurement period/ tranche	Second measurement period/ tranche	Third measurement period/ tranche
2019 sixth Award	ZAR20.34	ZAR19.48	ZAR18.49
2020 seventh Award	ZAR11.65	ZAR10.67	ZAR9.66
2021 eighth Award	ZAR23.83	ZAR23.83	ZAR23.83
2022 nineth Award	ZAR15.73	ZAR15.73	ZAR15.73

A reconciliation of the movement in the Group's LTIP in the period under review is as follows:

	Opening balance	Allocated	Vested	Forfeited	Total
LTIP 2023 Ordinary shares	**6 989 475**	**7 210 076**	**(287 476)**	**(1 933 704)**	**11 978 371**
LTIP 2022 Ordinary shares	4 272 742	5 431 124	(1 861 133)	(853 258)	6 989 475

An expense of US$2.0 million (2022: US$1.7 million) was recognised in profit or loss. The fair value at grant date of the LTIP awards was determined by present valuing the share price on grant date less the expected dividends. The following inputs were used for LTIP 2022 and LTIP 2021 issued during the years ended 30 September 2023 and 30 September 2022:

	LTIP 2022 ninth Award	LTIP 2021 eighth Award
Spot price	**ZAR20.10**	ZAR27.00
Dividend yield[1]	**8.18%**	4.16%
The risk-free interest rate (swap yield curve)[2]	**7.35%**	5.76%
Forfeiture assumption[3]	**5.00%**	10.63%

[1]The dividend yield was calculated by using forecast dividends which were estimated using a combination of broker consensus forecasts, historical dividend data, and the Company's view of the future dividends.
[2]The swap yield curve was independently constructed using a bootstrapping methodology together with a combination of traded money-market, FRA and swap rate inputs.
[3]This adjustment is made with reference to the percentage of employees that are not expected to fulfil the non-market or service based vesting conditions prior to the vesting dates, taking into account the forfeiture assumption based on participants' employee turnover history.

SARS

No SARS were issued during the years ended 30 September 2023 and 30 September 2022 and consequently no expense was recognised during these periods. In terms of previous awards, employees may exercise the SARS within five years from the grant date. Number of SARS vested, not yet exercised:

Award date	Expiry date	2023	2022
30 June 2018 – fifth Award	30 June 2023	**-**	617 852
30 June 2019 – sixth Award	30 June 2024	**1 193 009**	1 305 071
Number of share options exercised during the year		**729 914**	2 397 593
Weighted average share price of options exercised during the year		**ZAR21.87**	ZAR27.76

Judgements and estimates

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by present valuing the share price on grant date less the expected dividends and by using a Binomial Tree model, using the aforementioned assumptions.

9. OTHER OPERATING EXPENSES

Accounting policy

Refer to note 6 for the accounting policy relating to employee benefits. Other operating expenses are recognised as incurred by the Company and are measured at undiscounted amounts based on the value that the Company expects to pay as at the reporting date.

9. OTHER OPERATING EXPENSES (continued)

	2023 US$'000	2022 US$'000
Directors and staff costs		
Non-executive directors (refer to note 11)	**637**	642
Employees: salaries	**19 889**	19 215
bonuses	**2 920**	2 889
provident fund, medical aid and other contributions	**2 690**	2 226
	26 136	24 972
Fees paid to external auditors – external audit services	**765**	808
Fees paid to external auditors – tax compliance services	**5**	-
Bank charges and related fees	**732**	774
Consulting and business development cost	**5 249**	1 798
Consumables and repairs and maintenance	**1 751**	2 138
Corporate and social investment	**480**	247
Depreciation and amortisation	**2 216**	2 203
Equity-settled share-based payment expense	**1 999**	1 709
Expected credit loss allowance	**-**	47
Health and safety	**2 277**	2 572
Impairment of goodwill (note 15)	**-**	1 852
Impairment of property, plant and equipment	**-**	8 366
Insurance	**3 088**	3 318
Internal audit	**-**	20
Legal and professional	**563**	1 653
Listing fees and investor relations	**455**	735
Loss on disposal of property, plant and equipment	**-**	1 482
Office administration, rent and utilities	**2 046**	1 747
Research and development	**1 247**	692
Security	**1 406**	1 036
Telecommunications and IT related	**5 245**	4 471
Training	**514**	499
Travelling and accommodation	**590**	333
Write offs of property, plant and equipment	**246**	15
Sundry	**412**	393
	57 422	63 880
Number of employees	**2 377**	2 202

10. FINANCE INCOME AND FINANCE COSTS

Accounting policy: Finance income
Finance income comprises interest income on funds invested. Interest income is recognised in profit or loss as it accrues using the effective interest rate method.

Accounting policy: Finance costs
Finance costs comprise interest expense on borrowings and unwinding of the discount on provisions. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest rate method.

	2023 US$'000	2022 US$'000
Finance income		
Interest received	**4 772**	1 376
Finance costs		
Interest expense	**(5 915)**	(3 018)
Unwinding of present value of rehabilitation provision (refer note 24)	**(1 186)**	(1 740)
	(7 101)	(4 758)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2023

11. DIRECTORS REMUNERATION

The remuneration of the Directors is set out in the following tables:

2023	Directors' fees US$'000	Salary US$'000	Bonus US$'000	Expense allowance US$'000	Share-based payments US$'000	Provident fund and risk benefits US$'000	Total US$'000
Executive directors							
LC Pouroulis[1]	**-**	**772**	**157**	**-**	**230**	**-**	**1 159**
P Pouroulis[1]	**-**	**555**	**129**	**7**	**211**	**44**	**946**
MG Jones[1]	**-**	**432**	**97**	**-**	**165**	**29**	**723**
Non-executive directors							
JD Salter	**163**	**-**	**-**	**-**	**-**	**-**	**163**
A Djakouris	**104**	**-**	**-**	**-**	**-**	**-**	**104**
OM Kamal	**60**	**-**	**-**	**-**	**-**	**-**	**60**
C Bell	**122**	**-**	**-**	**-**	**-**	**-**	**122**
R Davey	**104**	**-**	**-**	**-**	**-**	**-**	**104**
ZL Hong*	**42**	**-**	**-**	**-**	**-**	**-**	**42**
SWM Lo	**42**	**-**	**-**	**-**	**-**	**-**	**42**
Total	**637**	**1 759**	**383**	**7**	**606**	**73**	**3 465**
2022							
Executive directors							
LC Pouroulis[1]	-	762	133	-	307	-	1 202
P Pouroulis[1]	-	527	100	8	337	43	1 015
MG Jones[1]	-	423	86	-	184	33	726
Non-executive directors							
JD Salter	169	-	-	-	-	-	169
A Djakouris	103	-	-	-	-	-	103
OM Kamal	60	-	-	-	-	-	60
C Bell	122	-	-	-	-	-	122
R Davey	104	-	-	-	-	-	104
ZL Hong	42	-	-	-	-	-	42
SWM Lo	42	-	-	-	-	-	42
Total	642	1 712	319	8	828	76	3 585

* Resigned on 30 September 2023

[1] These salaries were paid by the Company and subsidiaries by which the directors are employed (Braeston Proprietary Limited and Dinami Limited).

Directors' share awards

Details of each plan are disclosed in note 8. Non-Executive Directors are not entitled to participate in the Group's share award plan. The number of LTIP awarded to the Executive Directors are set out in the following tables:

LTIP 2023 Ordinary shares	Opening balance	Allocated	Vested	Forfeited	Total
LC Pouroulis	**860 710**	**808 473**	**(38 562)**	**(154 246)**	**1 476 375**
P Pouroulis	**898 038**	**886 354**	**(42 378)**	**(169 510)**	**1 572 504**
MG Jones	**512 824**	**483 377**	**(23 054)**	**(92 214)**	**880 933**
	2 271 572	**2 178 204**	**(103 994)**	**(415 970)**	**3 929 812**
LTIP 2022 Ordinary shares					
LC Pouroulis	494 126	667 902	(226 590)	(74 728)	860 710
P Pouroulis	543 632	686 150	(249 418)	(82 326)	898 038
MG Jones	295 924	397 556	(135 808)	(44 848)	512 824
	1 333 682	1 751 608	(611 816)	(201 902)	2 271 572

12. TAX

Accounting policy

Income tax comprises current and deferred taxes. Income tax is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Apart from certain limited exceptions, all deferred tax assets, to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but which they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously. A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes arise from the distribution of dividends which are recognised at the same time as the right to receive/pay is established.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

	2023 US$'000	2022 US$'000
Corporate income tax		
Cyprus – current year	**3 760**	4 121
South Africa – current year	**21 552**	36 474
South Africa – prior year under provision	**739**	-
	26 051	40 595
Deferred tax: originating and reversal of temporary differences (note 18)	**609**	9 899
Deferred tax – prior year under provision (note 18)	**128**	-
	737	9 899
Special contribution for defence in Cyprus	**118**	1
Dividend withholding tax	**658**	2 572
Tax charge	**27 564**	53 067

12. TAX (continued)

The entities within the Group are taxed in the countries in which they are incorporated and operate at the relevant tax rates as follows:

Country	2023	2022
Cyprus	**12.5%**	12.5%
South Africa	**27.0%**	28.0%
Zimbabwe*	**15.0%**	-
Guernsey	**0.0%**	0.0%
China	**25.0%**	25.0%

* Karo Platinum (Private) Limited, Karo Zimbabwe Holdings (Private) Limited and Salene Chrome Zimbabwe (Private) Limited have been awarded a Special Economic Zone Licence ('SEZ') which stipulates a 15.0% corporate tax rate. Subsequent to being granted the SEZ, legislation was amended stipulating that mining companies were not eligible for the SEZ benefits. The Group obtained legal advice confirming that the legislation cannot be applied retrospectively. The Group has also engaged with regulatory authorities and is expecting a favourable outcome. Accordingly, while the standard Zimbabwean corporate tax rate is 24.72%, Karo Zim Holdings, Karo Platinum and Salene Chrome have applied the SEZ awarded corporate tax rate of 15.0%.

Reconciliation between tax charge and accounting profit at applicable tax rates:	2023 US$'000	2022 US$'000	2023 US$'000	2022 US$'000
Profit before tax	**114 340**	220 223	**114 340**	220 223
Notional tax on profit before tax, calculated at the Cypriot/South African income tax rate of 12.5%/27.0% (2022: 12.5%/27.0%)	**14 293**	27 528	**30 872**	61 662
Tax effects of:				
Different tax rates from the standard Cypriot/South African income tax rate	**12 455**	27 722	**(5 069)**	(3 716)
Impact of change in South African tax rate – deferred tax	**-**	(1 486)	**-**	(3 333)
Tax exempt income				
Gain on business combination	**-**	(6 049)	**-**	(13 550)
Fair value adjustments	**(1 887)**	-	**(4 076)**	-
Interest received	**(223)**	(50)	**(481)**	(113)
Currency gains	**(800)**	(55)	**(1 727)**	(127)
Other	**(6)**	-	**(12)**	-
Non-deductible expenses				
Share of loss of equity-accounted investments	**-**	654	**-**	1 464
Fair value adjustments	**-**	734	**-**	1 644
Investment related expenses	**574**	1 014	**1 239**	2 271
Interest paid	**115**	30	**248**	70
Currency losses	**789**	27	**1 704**	98
Capital expenses	**506**	147	**1 093**	322
Impairment of goodwill (note 15)	**-**	232	**-**	519
Impairment of property, plant and equipment (note 14)	**-**	539	**-**	1 208
Special contribution for defence in Cyprus	**118**	1	**256**	2
Dividend withholding tax - current year preference dividends	**658**	444	**1 420**	995
Dividend withholding tax - accrued dividends	**42**	184	**90**	411
Deferred tax - unremitted distributable reserves of foreign subsidiaries	**620**	1 252	**1 339**	2 804
Prior year under provision of current income tax	**58**	102	**124**	229
Deferred tax not raised: assessed losses	**30**	89	**64**	199
Recognition of deemed interest income for tax purposes	**222**	8	**480**	8
Tax charge	**27 564**	53 067	**27 564**	53 067

Under certain conditions interest income may be subject to defence contribution at the rate of 30.0% in Cyprus. Such interest income is treated as non-taxable in the computation of corporation taxable income. In certain instances, dividends received from abroad may be subject to defence contribution at the rate of 17.0%.

In terms of the Double Taxation Agreement between Cyprus and South Africa, dividend withholding tax at a rate of 5.0% (2022: 5.0%) is charged on dividends declared. The Group's consolidated effective tax rate for the year ended 30 September 2023 was 24.1% (2022: 24.1%).

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. At 30 September 2023, the Group had unutilised tax losses of US$71.5 million (2022: US$0.7 million) available for offset against future taxable income. No deferred tax asset has been raised as it is doubtful whether future taxable profits will exist for offset against these tax losses. The tax losses don't expire provided that the entity remains operational.

12. TAX (continued)

Judgement and estimates: taxes
Judgement is required in determining the liability for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws.

Judgement and estimates: most meaningful tax rate
IAS 12 requires entities to disclose a tax rate reconciliation to enable users to understand whether the relationship between the accounting profit and taxation is unusual and to understand significant factors that could affect that relationship in the future. In preparation of the tax rate reconciliation, entities select a most meaningful tax rate to which the profit before tax is applied and to which the tax charge for the year is then reconciled. The Group previously selected the Cyprus corporate income tax rate as the most meaningful tax rate. Since the majority of the Group's profits are currently earned in South Africa, management considers that it is appropriate to include a tax rate reconciliation for which the South African income tax rate is selected as the most meaningful tax rate.

13. EARNINGS PER SHARE

Accounting policy
The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise instruments convertible into ordinary shares and share options granted to employees. The Group also presents headline earnings per share according to the JSE requirements, by adjusting the earnings as determined in IAS 33, excluding separate identifiable re-measurements, net of related tax (current and deferred) and related non-controlling interests other than re-measurements specifically included in headline earnings (included re-measurements).

The calculation of basic and diluted earnings per share and headline and diluted headline earnings per share has 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, but unexercised Share Appreciation Rights ('SARS') issued to employees at award prices lower than the current share price and allocated unvested conditional awards ('LTIP'), granted to employees at no cost in terms of 2021 LTIP Award (first and second measurement period) and 2022 LTIP (first measurement period) that are still in employment within the Group at year-end, with the remaining vesting condition being to remain in employment as at the third anniversary of the grant date, result 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. Vested SARS issued to employees at award prices higher than the current share price, were excluded from the calculation of diluted weighted average number of issued ordinary shares because their effect would have been anti-dilutive. 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.

	2023	2022
Basic and diluted earnings per share		
Profit for the year attributable to ordinary shareholders (US$'000)	**82 235**	153 881
Weighted average number of issued ordinary shares for basic and headline earnings per share ('000)	**299 816**	285 776
Dilutive impact of LTIP ('000)	**2 896**	-
Dilutive impact of SARS ('000)	**-**	125
Weighted average number of issued ordinary shares for diluted basic and diluted headline earnings per share ('000)	**302 712**	285 901
Earnings per share		
Basic (US$ cents)	**27.4**	53.8
Diluted (US$ cents)	**27.2**	53.8

13. EARNINGS PER SHARE (continued)

	2023	2022
Headline and diluted headline earnings per share		
Headline earnings for the year attributable to ordinary shareholders (US$'000)	**84 811**	117 393
Headline earnings per share (US$ cents)	**28.3**	41.1
Diluted headline earnings per share (US$ cents)	**28.0**	41.1

Reconciliation of profit to headline earnings

	2023				2022
	Gross US$'000	**Tax US$'000**	**Non-controlling interest US$'000**	**Net US$'000**	Net US$'000
Profit attributable to ordinary shareholders				**82 235**	153 881
Adjustments:					
Gain on acquisition: fair value re-measurement of existing 28.38% shareholding	**-**	**-**	**-**	**-**	(33 503)
Gain on acquisition: purchase of shares at a discount	**-**	**-**	**-**	**-**	(14 888)
Write off of property, plant and equipment	**3 454**	**(864)**	**-**	**2 590**	652
Impairment of property, plant and equipment	**-**	**-**	**-**	**-**	8 332
Impairment of goodwill	**-**	**-**	**-**	**-**	1 852
(Profit)/loss on disposal of property, plant and equipment	**(19)**	**5**	**-**	**(14)**	1 067
Headline earnings				**84 811**	117 393

14. PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Mining assets and infrastructure

Mining assets and infrastructure typically include those costs incurred for the development of the mine, including the design of the mine plan, constructing and commissioning the facilities and preparation of the mine and necessary infrastructure for production. The mine development phase generally begins after completion of a feasibility study and ends upon the commencement of commercial production. Mining assets are measured at cost less accumulated depreciation and less any accumulated impairment losses. Expenditure, including evaluation costs, incurred to establish or expand productive capacity, to support and maintain that productive capacity prior to the commencement of commercial levels of production, are capitalised to assets under construction and transferred to mining assets and infrastructure when the mining venture reaches commercial production. Maintenance costs incurred to maintain current production are expensed.

The Tharisa Mine's (South Africa) remaining useful life of mine and infrastructure based on the remaining open pit life of mine and excluding future potential underground development, is currently estimated to be 18 (2022: 19 years) years.

Deferred stripping costs

All stripping costs incurred (costs incurred in removing overburden to expose the reef) during the production phase of a mine are treated as variable production costs and as a result are included in the cost of inventory during the period in which the stripping costs are incurred. However, any costs of overburden stripping in excess of the expected open-pit life average stripping ratio are deferred. Any costs deferred are capitalised to property, plant and equipment provided all the following conditions are met:

- it is probable that the future economic benefit associated with the stripping activity will be realised;
- the component of the ore body for which access has been improved can be identified; and
- the costs relating to the stripping activity associated with the improved access can be reliably measured.

If all of the criteria are not met, the production stripping costs are charged to the consolidated statement of profit or loss as they are incurred.

This deferred stripping asset is depreciated using the units of production method over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity.

14. PROPERTY, PLANT AND EQUIPMENT (continued)

Accounting policy (continued)

General

Assets are initially measured at cost and are subsequently measured at cost less accumulated depreciation and less any accumulated impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate portion of normal production overheads. Directly attributable expenses relating to major capital projects and site preparation are capitalised until the asset is brought to a working condition for its intended use. These costs include dismantling and site restoration costs. Administrative and other general overhead costs are expensed as incurred. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Borrowing costs directly attributable to the construction or acquisition of qualifying assets are capitalised directly to the cost of the qualifying asset. To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, these borrowing costs shall be determined as the actual borrowing costs incurred on that borrowing.

Where an item of property, plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of property, plant and equipment.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalised when the costs can be reliably measured and if it is probable that the future economic benefits embodied within the component will flow to the Group. The carrying amount of the replaced component, if any, are derecognised.

Maintenance and day to day servicing and repairs, which neither materially add to the value of assets nor appreciably prolong their useful lives, are recognised in profit or loss.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the net proceeds from disposal with the carrying amount of the item and are recognised in profit or loss.

Depreciation

Depreciation of mining assets and infrastructure is calculated using the units-of-production method based on estimated economically recoverable proved and probable mineral reserves. Proved and probable reserves reflect estimated quantities of economically recoverable resources which can be recovered in the future from known mineral deposits. Depreciation is first charged on mining assets and infrastructure from the date on which they are available for use.

Mining fleet is depreciated using the units-of-production method based on estimated achievable machine hours.

For other property, plant and equipment, depreciation is recognised in profit or loss on a straight-line basis at rates that will reduce the carrying amounts to estimated residual values over the estimated useful lives of the assets. Leasehold improvements on premises occupied under leases are expensed over the shorter of the lease term and the useful lives.

Depreciation, unless otherwise stated, is calculated as follows:

- buildings at 10.0% pa
- motor vehicles at 20.0% pa
- computer equipment and software at 33.3% pa
- office equipment between 10.0% and 33.3% pa
- furniture at 20.0% pa

No depreciation is provided on freehold land and mine development assets under construction.

Depreciation methods, residual values and useful lives are reviewed at least annually, and adjusted prospectively if appropriate, at each reporting date.

Exploration and evaluation expenditure

All exploration and evaluation expenditure, prior to obtaining the legal rights to explore a specific area, is recognised in profit or loss. After the legal rights to explore are obtained, exploration and evaluation expenditure, comprising the costs of acquiring prospecting rights and directly attributable exploration expenditure, is capitalised as a separate class of property, plant and equipment, on a project-by-project basis, pending determination of the technical feasibility and commercial viability.

The technical feasibility and commercial viability of extracting a mineral resource is generally considered to be determinable through a feasibility study and when proven reserves are determinable to exist. Upon determination of proven reserves, exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified to another appropriate class of property, plant and equipment. Subsequently, all costs directly incurred to prepare an identified mineral asset for production are capitalised to mine development assets. Amortisation of these assets commences once these assets are available for use. These assets will be measured at cost less accumulated amortisation and impairment losses.

14. PROPERTY, PLANT AND EQUIPMENT (continued)

Accounting policy

Minerals reserve

The estimation of reserves impacts the amortisation of property, plant and equipment, the recoverable amount of property, plant and equipment and the timing of rehabilitation expenditure.

Factors impacting the determination of proved and probable reserves include:

- commodity prices;
- the grade of mineral reserves;
- operational issues at the mine; and
- the reliability of the measurement of the fair value or cost of the asset.

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its related CGU exceeds its recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGUs (group of units) and then, to reduce the carrying amount of the other assets in the CGU (group of units) on a pro rata basis.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash flows from continuing use that are largely independent of the cash inflows of the other assets of the CGU.

Impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed through profit or loss if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Accounting policy: leases

The Group recognises a right-of-use asset at the commencement date of the contract for all leases conveying the right to control the use of identified assets for a specified period. The commencement date is the date on which a lessor makes an underlying asset available for use by the lessee.

The right-of-use assets are initially measured at cost, which comprises the amount of initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred by the lessee and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying assets or restoring the site on which the assets are located, less any lease incentives.

Subsequent to initial measurement, the right-of-use assets are depreciated from the commencement date using the straight-line method over the shorter of the estimated useful lives of the right-of-use assets or the end of lease term. These are as follows:

Right-of-use asset	**Depreciation term in years**
Buildings and premises	Straight-line over the respective lease terms, between 3 and 5 years
Mining fleet	Based on estimated production hours

After the commencement date, the right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability.

Short-term leases and leases of low-value assets:

The Group has elected not to recognise right-of-use assets for short-term leases that do not contain a purchase option and have a lease term of 12 months or less and leases of low-value assets such as computer equipment.

As a lessor

In the event of lease contracts based on which the Group is acting as a lessor, each of its leases is classified as either an operating or finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. Indicators of a finance lease include whether the lease is for the major part of the economic life of the asset, whether the lease transfers ownership of the asset to the lessee by the end of the lease term and whether at inception date of the lease, the present value of the minimum lease payments amount to substantially all of the fair value of the leased asset.

Leases where a significant portion of the risks and rewards incidental to ownership are retained by the lessor, are classified as operating leases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 September 2023

14. PROPERTY, PLANT AND EQUIPMENT (continued)

30 September 2023	Freehold land and buildings US$'000	Mineral rights US$'000	Mining assets and infrastructure US$'000	Mining fleet and US$'000	Right-of-use asset: mining fleet US$'000	Motor vehicles US$'000	Computer equipment and software US$'000	Office equipment and furniture, community and site office improvements US$'000	Right-of-use asset: buildings US$'000	Total US$'000
Cost										
Balance at 30 September 2022	**23 200**	**201 750**	**387 329**	**111 271**	**6 456**	**2 989**	**4 197**	**1 332**	**1 733**	**740 257**
Additions	**2 529**	**-**	**60 979**	**27 292**	**-**	**2 387**	**1 625**	**147**	**-**	**94 959**
Borrowing costs	**-**		**1 880**	**-**	**-**	**-**	**-**	**-**	**-**	**1 880**
Lease agreements entered into	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**211**	**211**
Disposals	**-**	**-**	**(147)**	**-**	**-**	**(36)**	**(5)**	**-**	**-**	**(188)**
Re-measurement	**-**	**-**	**-**	**-**	**1 364**	**-**	**-**	**-**	**62**	**1 426**
Write offs	**(6)**	**-**	**(631)**	**(7 733)**	**(338)**	**(16)**	**(58)**	**(3)**	**(348)**	**(9 133)**
Transfers	**-**	**-**	**(168)**	**1 746**	**(1 746)**	**84**	**86**	**(2)**	**-**	**-**
Exchange differences on translation	**(1 077)**	**-**	**(16 439)**	**(5 783)**	**(259)**	**(151)**	**(226)**	**(52)**	**(71)**	**(24 058)**
Balance at 30 September 2023	**24 646**	**201 750**	**432 803**	**126 793**	**5 477**	**5 257**	**5 619**	**1 422**	**1 587**	**805 354**
Accumulated depreciation and impairment										
Balance at 30 September 2022	**1 353**	**-**	**110 490**	**47 815**	**4 210**	**1 022**	**3 994**	**582**	**1 211**	**170 677**
Depreciation charge for the year	**706**	**-**	**16 439**	**18 819**	**1 044**	**796**	**963**	**162**	**310**	**39 239**
Disposals	**-**	**-**	**(55)**	**-**	**-**	**(19)**	**(4)**	**-**	**-**	**(78)**
Write offs	**(2)**	**-**	**(385)**	**(4 633)**	**(236)**	**(16)**	**(58)**	**(3)**	**(346)**	**(5 679)**
Transfers	**-**		**85**	**-**	**-**	**(81)**	**(1)**	**(3)**	**-**	**-**
Exchange differences on translation	**(68)**	**-**	**(5 181)**	**(2 679)**	**(219)**	**(57)**	**(189)**	**(55)**	**(51)**	**(8 499)**
Balance at 30 September 2023	**1 989**	**-**	**121 393**	**59 322**	**4 799**	**1 645**	**4 705**	**683**	**1 124**	**195 660**

Freehold land and buildings comprises various portions of the farms Elandsdrift 467 JQ, Buffelspoort 343 JQ and Farm 342 JQ, North West Province, South Africa. All land is freehold.

Property, plant and equipment, with the exception of motor vehicles, is insured at approximate cost of replacement. Motor vehicles are insured at market value. Land is not insured.

Included in additions to mining assets and infrastructure are additions to the deferred stripping asset of US$4.4 million (2022: US$15.1 million).

The estimated economically recoverable proved and probable mineral reserve of Tharisa Minerals Proprietary Limited was reassessed during October 2022 which gave rise to a change in accounting estimate. The remaining reserve that management had previously assessed was 113.6 Mt (at 18 November 2021). During October 2022, the remaining reserve was assessed to be 107.2 Mt. As a result, the expected useful life of the plant and other assets, included in mining assets and infrastructure, decreased. The impact of the change on the actual depreciation expense, included in cost of sales, is an increased depreciation charge of US$0.2 million. The change in estimate was recognised prospectively.

Included in mining assets and infrastructure are projects under construction of US$68.0 million (2022: US$28.7 million).

14. PROPERTY, PLANT AND EQUIPMENT (continued)

30 September 2022	Freehold land and buildings US$'000	Mineral rights US$'000	Mining assets and infrastructure US$'000	Mining fleet US$'000	Right-of-use asset: mining fleet US$'000	Motor vehicles US$'000	Computer equipment and software US$'000	Office equipment and furniture, community and site office improvements US$'000	Right-of-use asset: buildings US$'000	Total US$'000
Cost										
Balance at 30 September 2021	19 293	-	396 901	99 585	16 790	2 331	4 249	1 014	1 968	542 131
Additions	7 559	-	59 243	34 794	-	1 005	1 929	484	-	105 014
Lease agreements entered into	-	-	-	-	163	-	-	-	59	222
Business combination (note 30)	-	201 750	1 570	-	-	152	18	20	-	203 510
Disposals	-	-	(790)	(5 486)	-	(18)	(4)	(2)	-	(6 300)
Re-measurement	-	-	-	-	4	-	-	-	4	8
Write offs	(3)	-	(87)	(5 219)	-	-	(196)	(8)	-	(5 513)
Transfers	494	-	399	8 277	(8 765)	18	(429)	6	-	-
Exchange differences on translation	(4 143)	-	(69 907)	(20 680)	(1 736)	(499)	(1 370)	(182)	(298)	(98 815)
Balance at 30 September 2022	23 200	201 750	387 329	111 271	6 456	2 989	4 197	1 332	1 733	740 257
Accumulated depreciation and impairment										
Balance at 30 September 2021	1 353	-	105 512	39 744	8 977	730	3 780	509	1 065	161 670
Depreciation charge for the year	257	-	16 566	18 325	1 663	400	1 087	167	331	38 796
Business combination (note 30)	-	-	17	-	-	65	10	9	-	101
Disposals	-	-	(106)	(2 967)	-	(13)	(3)	(2)	-	(3 091)
Write offs	(3)	-	(37)	(3 943)	-	-	(193)	(9)	-	(4 185)
Impairment	-	-	8 356	-	-	6	-	4	-	8 366
Transfers	-	-	-	5 394	(5 394)	-	16	(16)	-	-
Exchange differences on translation	(254)	-	(19 818)	(8 738)	(1 036)	(166)	(703)	(80)	(185)	(30 980)
Balance at 30 September 2022	1 353	-	110 490	47 815	4 210	1 022	3 994	582	1 211	170 677

14. PROPERTY, PLANT AND EQUIPMENT (continued)

Net book value	2023 US$'000	2022 US$'000
Freehold land and buildings	**22 657**	21 847
Mineral right	**201 750**	201 750
Mining assets and infrastructure	**311 410**	276 839
Mining fleet	**67 471**	63 456
Right-of-use mining fleet	**678**	2 246
Motor vehicles	**3 612**	1 967
Computer equipment and software	**914**	203
Office equipment and furniture, community and site office improvements	**739**	750
Right-of-use buildings and premises	**463**	522
	609 694	569 580

At 30 September 2023, trade and other payables include US$25.3 million (2022: US$ nil) owing to vendors providing capital goods and services to the Group.

Borrowing costs relating to the Karo Platinum project of US$1.9 million were capitalised during the year ended 30 September 2023 (2022: no capitalisation of borrowing costs). A capitalisation rate of 9.5% (2022: no capitalisation) was used which is equal to the coupon of the bond listed on the Victoria Falls Stock Exchange (note 25). The bond was issued specific for the construction of the Karo Platinum (Private) Limited plant in Zimbabwe.

Capital commitments
At 30 September 2023, the Group's capital commitments for contracts to purchase property, plant and equipment amounted to US$157.7 million (2022: US$32.0 million).

Securities
At 30 September 2023 and 30 September 2022, the majority of the Group's mining fleet was pledged as security against the asset backed facilities (refer to note 25).

Write offs
During the year ended 30 September 2023, the Group scrapped individual assets with net book values totalling US$3.2 million (2022: US$1.3 million). The write offs during both the financial years 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 relationship to the expected useful live. 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 as identified from fleet that is confirmed as obsolete by management.

Impairment of assets
During the year ended 30 September 2022, it became evident that the operational performance of MetQ Proprietary Limited ('MetQ') was not as expected and the Group believed that an impairment indicator was present. MetQ was tested for impairment on a MetQ CGU level by using its value in use. The recoverable amounts of the CGU with a net book value of US$2.0 million were calculated and amounted to US$1.4 million at 30 September 2022. Consequently, a provision for impairment of US$0.6 million was recognised in other operating costs. An impairment charge of US$0.4 million was firstly allocated to the goodwill within the CGU (refer to note 15) and the remaining amount of the impairment charge has been allocated to property, plant and equipment within the mining assets and infrastructure (US$113 thousand), motor vehicles (US$6 thousand) and office equipment and furniture (US$6 thousand) asset categories. The cash flows were discounted using a real discount rate of 12.6%. The MetQ CGU forms part of the manufacturing segment.

Even though the operational performance of MetQ improved compared to the performance for the year ended 30 September 2022, the Group believes that the performance was still below expectation and that an impairment indicator was still present at 30 September 2023. The carrying value of the MetQ CGU of US$1.6 million was tested for impairment by determining the value in use and the fair value less cost to sell. The Group believes that no additional impairment is required at 30 September 2023 as the fair value less cost to sell of US$2.5 million exceeds the value in use and supports the recoverability of the MetQ CGU.

14. PROPERTY, PLANT AND EQUIPMENT (continued)

Impairment of assets (continued)

Effective 1 July 2022, the Zimbabwean government enacted an export ban on chrome concentrates to support the local beneficiation industry. Consequently operations at Salene Chrome Zimbabwe (Private) Limited ('Salene') were ceased as local downstream selling prices of chrome concentrates were unfavourable to Salene. The Group believed that the change in operational circumstances during the year ended 30 September 2022 represented an impairment indicator. The Group performed a value in use calculation on a Salene CGU level by using a discounted cash flow forecast covering a period of 72 months, which was equal to the mine plan, a chrome concentrate selling price of US$132 and a weighted average cost of capital of 10.5%. The Group believed that the CGU with a carrying amount of US$12.4 million had a recoverable amount of US$2.8 million and consequently made a provision for impairment of US$9.6 million. The impairment charge was recognised in other operating costs. The impairment charge was first allocated to the goodwill within the CGU (refer to note 15) and the remainder of the impairment charge of US$8.2 million was allocated to property, plant and equipment within the mining asset and infrastructure asset category. The Salene CGU forms part of the chrome segment.

At 30 September 2023, the operational environment and circumstances of Salene have not improved and the operations remain in care and maintenance. The Group believes that due to a prolonged delay in start-up, an impairment indicator was still present at 30 September 2023. The carrying value of the Salene CGU of US$2.7 million was tested for impairment by determining the value in use and the fair value less cost to sell. The Group believes that no additional impairment is required at 30 September 2023 as the fair value less cost to sell of US$2.8 million exceeds the value in use and supports the recoverability of the Salene CGU.

At 30 September 2023, operations at Skyler Storm (Private) Limited ('Skyler') have not commenced and remained in care and maintenance. The Group believes that due to a prolonged delay in start-up, an impairment indicator was present at 30 September 2023. The carrying value of the Skyler CGU of US$0.6 million was tested for impairment by determining the value in use and the fair value less cost to sell. The Group believes that no impairment is required at 30 September 2023 as the fair value less cost to sell of US$0.7 million exceeds the value in use and supports the recoverability of the Salene CGU.

Judgements and estimates: mineral reserves estimates

Economically recoverable ore reserves represent the estimated quantity of product in an area of interest that can be expected to be profitably extracted, processed and sold under current and foreseeable economic conditions. The determination of ore reserves includes estimates and assumptions about a range of geological, technical and economic factors, including: quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates. Changes in ore reserves impact the assessment of recoverability of exploration and evaluation assets, property, plant and equipment, the carrying amount of assets depreciated on a units-of-production basis, provision for site rehabilitation and the recognition of deferred tax assets, including tax losses. The mineral reserve is re-assessed annually. The Group estimates and reports mineral reserves in accordance with the principles and guidelines contained in the South African Code for Reporting of Mineral Reserves of 2007, revised in 2016 (SAMREC 2016).

Judgements and estimates: assessment of CGU

The Group's main subsidiary, Tharisa Minerals Proprietary Limited ('Tharisa Minerals') is a vertically integrated operation. The Group believes that there is no active market for the run of mine ore ('ROM') mined at Tharisa Minerals due to the high volume being processed and as the ROM is of a relative low grade compared to other deposits in the same region. Tharisa Minerals' integrated processing plants are specifically designed to treat the volume and low grade ROM. Tharisa Minerals produces PGMs and chrome concentrates on a co-product basis and the operation is managed as a joint product mine. The Group therefore believes that the processing plants together with the mining assets are dependent on each other in order to generate cash inflows.

The Group therefore believes that the mining fleet and mining assets cannot generate cash inflows that are largely independent of the cash inflows from the processing plants and other assets or group of assets and as a result are not separate cash generating units. Consequently the Group believes that the mining assets and the processing plants together represents the smallest identifiable group of assets that generates cash inflows largely independent from other assets and represents a single CGU.

Karo Mining Holdings plc ('Karo') and subsidiary companies collectively in future will collectively generate cash inflows independently. The Group therefore believes that Karo together represents the smallest identifiable group of assets that will generate cash inflows largely independent from other assets and represents another single CGU.

Judgements and estimates: impairment of assets

Indicators for impairment on non-financial assets are assessed at each reporting period. Should an indication exist, individual assessments of property, plant and equipment are performed based on the technical, economic and business circumstances.

14. PROPERTY, PLANT AND EQUIPMENT (continued)

Judgements and estimates: depreciation

Mining assets and infrastructure are depreciated using the units-of-production method. Management has elected to use the tonnes mined in relation to tonnes proved and probable mineral reserve as an appropriate units-of-production depreciation method. Changes in the proved and probable mineral reserve will impact the useful lives of the assets depreciated based on this method. The average remaining useful life of the open pit mine is estimated at 18 years (2022: 19 years).

Refer to the Accounting Policies for the depreciation of the remaining assets.

Judgements and estimates: deferred stripping

IFRIC 20 requires that production stripping costs in a surface mine be capitalised to non-current assets if, and only if, all of the following criteria are met:

- it is probable that the future economic benefit associated with the stripping activity will flow to the entity;
- the entity can identify the component of the ore body for which access has been improved; and
- the costs relating to the stripping activity associated with that component can be measured.

The Group uses a long-term life of opencast mine stripping ratio which consists of actual historical numbers and forecast numbers. The forecast numbers are updated annually according to the Reserve and Resource Statement. In the event that the actual stripping ratio exceeds the life of mine stripping ratio, the actual weighted average stripping cost associated with the stripping ratio that is in excess of the life of mine stripping ratio is deferred and capitalised to property, plant and equipment. Excess deferred stripping costs are only capitalised if it can be reliably measured and if the open pit is improved and/or the ore body is exposed for future benefit.

15. INTANGIBLE ASSETS

Accounting policy

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Intangible assets with finite useful lives are amortised using the straight-line method over their estimated useful lives. Residual values of intangible assets are presumed to be zero and along with their useful lives are reassessed on an annual basis.

Impairment of goodwill

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. For goodwill and intangible assets that have indefinite lives or are not yet available for use, the recoverable amount is estimated annually as to whether or not there is any indication of impairment.

For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination. An impairment loss in respect of goodwill is not reversed.

	2023			2022		
Goodwill: reconciliation of carrying amount	**Goodwill US$'000**	**Intellectual property US$'000**	**Total US$'000**	Goodwill US$'000	Intellectual property US$'000	Total US$'000
Cost						
Balance at 1 October	**2 634**	**311**	**2 945**	2 883	311	3 194
Additions	**-**	**649**	**649**	-	-	-
Effect of movement in exchange rates	**(55)**	**(4)**	**(59)**	(249)	-	(249)
Balance at 30 September	**2 579**	**956**	**3 535**	2 634	311	2 945
Accumulated impairment losses						
Balance at 1 October	**2 005**	**-**	**2 005**	252	-	252
Amortisation for the year	**-**	**2**	**2**	-	-	-
Impairment	**-**	**-**	**-**	1 852	-	1 852
Effect of movement in exchange rates	**(27)**	**-**	**(27)**	(99)	-	(99)
Balance at 30 September	**1 978**	**2**	**1 980**	2 005	-	2 005
Carrying amount	**601**	**954**	**1 555**	629	311	940

15. INTANGIBLE ASSETS (continued)

The goodwill arose on the acquisitions of Braeston Proprietary Limited, Arxo Logistics Proprietary Limited, MetQ Proprietary Limited and Salene Chrome Zimbabwe (Private) Limited.

The goodwill relating to Braeston Proprietary Limited (US$0.1 million) was attributed to the synergies of operations at the Group's head office and established client and supplier relationships. The goodwill was allocated to the PGM and chrome operating segments.

The goodwill relating to Arxo Logistics Proprietary Limited (US$0.5 million) was attributed to supplier relationships specific to the transport and sea freight industry and skills and knowledge of the workforce. The goodwill was allocated to the chrome operating segment.

The goodwill relating to MetQ Proprietary Limited ('MetQ') (US$0.5 million) was attributed to technical expertise and the talent and skills of the workforce, industry knowledge relating to the manufacture of the mining equipment and relationships with customers. The goodwill was allocated to the chrome operating segment. The goodwill was impaired in full during the year ended 30 September 2022 (refer to note 14).

The goodwill relating to Salene Chrome Zimbabwe (Private) Limited (US$1.4 million) was impaired in full during the year ended 30 September 2022 (refer to note 14). The goodwill is not tax deductible.

The recoverable amount of the remaining goodwill was calculated based on the value in use of the operating segment to which the goodwill was allocated and was higher than the carrying values.

The recoverable amounts of the operating segments were determined based on discounted cash flows approved by management covering a sixteen-year period, which represents the estimated opencast life of mine at 30 September 2023. The cash flows were discounted using a real discount rate of 12.2% (2022: 12.6%) for South African operations, an exchange rate of ZAR17.80:US$1; (2022: ZAR16.01 US$1) spot PGM basket price of US$1 889/oz (2022: US$2 224/oz), spot chrome concentrate prices of US$280/tonne (2022: US$200/tonne) and a CIF China logistics cost of US$101/tonne (2022:US$98/t). The discount rate used was a pre-tax real rate and reflects specific risks relating to the relevant operating segment. Cash flows are based on the life-of-mine plan that takes into account proved and probable ore reserves and appropriate capital expenditure estimates.

It is estimated that a decrease of 18.9% (from US$280/tonne to US$227/tonne) in the long-term real chrome concentrate price would cause the recoverable amount of goodwill to equal its carrying amount without any other changes in key assumptions.

Judgements and estimates: allocation of goodwill
The Group believes that the mining assets and the processing plants together represents the smallest identifiable Group of assets that generates cash inflows largely independent from other assets and represents a single CGU, refer to note 14. IAS 36 does not prohibit entities having a CGU larger than its operating segments. However, in such circumstances where a CGU is larger than its operating segments, goodwill should be allocated and tested on an operating segment level. The Group has consequently allocated and tested the goodwill on an operating segments level.

Intellectual property
The Group acquired certain intellectual property associated with the development and commercialisation of an electrical energy storage device suitable for large scale static applications and ultimately suitable for large scale usage of chrome concentrates. The Group believes that potential cash inflows resulting from the application of the intellectual property to the Group's existing operational processes and products will exceed the carrying value and hence no impairment was recognised. At 30 September 2023 and 30 September 2022, the Group continued to assess that the majority of the intellectual property has an indefinite useful life.

16. GROUP COMPOSITION

Details of the subsidiaries including direct and indirect holdings are disclosed in note 1. The Group holds 100% of the voting rights in all subsidiaries apart from Karo Mining Holdings plc (75.0% holding, 2022: 70% holding). For the increase in shareholding within Karo Mining Holdings plc, please refer to note 23.

Tharisa Minerals Proprietary Limited is 100% (2022: 100%) owned, but during the 30 September 2022 reporting period the Group acquired the 26% held by the non-controlling shareholders and therefore did not own 100% of Tharisa Minerals throughout the full 30 September 2022 reporting period (refer to note 23).

The following table summarises the information relating to the Company's subsidiaries with material non-controlling interests, Karo Mining Holdings plc owns 85.0% of the voting rights of Karo Platinum (Private) Limited. The non-controlling interests of Karo Mining Holdings plc and subsidiaries and Tharisa Minerals Proprietary Limited before any inter-group eliminations were:

	2023	2022	
	Karo Mining Holdings plc US$'000	Karo Mining Holdings plc US$'000	Tharisa Minerals Proprietary Limited US$'000
Non-current assets	**57 670**	12 795	337 242
Current assets	**79 635**	13 782	242 046
Non-current liabilities	**(37 227)**	(16 779)	(382 713)
Current liabilities	**(16 651)**	(4 900)	(112 923)
Net assets	**83 427**	4 898	83 652
Carrying amount of non-controlling interest in the net assets of Karo Mining Holdings Plc	**(1 552)**	1 389	-
Fair value adjustments on the net assets at acquisition attributable to non-controlling interest	**55 451**	61 647	-
Value of net assets attributable to non-controlling interest, taking acquisition adjustments into account	**53 899**	63 036	-
Revenue	**-**	-	490 383
Net profit/(loss) after tax and total comprehensive income/(loss)	**13 528**	(13 286)	64 912
Non-controlling interest in (loss)/profit after tax	**130**	(338)	13 613
Cash flows (used in)/generated from operating activities	**(8 351)**	32	143 743
Cash flows used in investing activities	**(44 588)**	(12 629)	(93 865)
Cash flows generated from/(used in) financing activities	**102 442**	25 097	(70 393)
Net change in cash and cash equivalents	**49 503**	12 500	(20 515)

Tharisa Minerals Proprietary Limited, declared and paid an ordinary dividend of US$2.7 million during the year ended 30 September 2022 and prior to the acquisition of the non-controlling interest. The dividend paid to non-controlling shareholders amounted to US$0.2 million.

The value of the net assets attributable to the non-controlling shareholders of Karo Mining Holdings Plc of US$ 1.4 million for the year ended 30 September 2022 has updated to correctly take into account the IFRS 3 at acquisition fair value adjustments from the acquisition of Karo Mining Holdings Plc as indicated above. Refer to note 30.

Judgements and estimates: assessment of intergroup loans as net investments in foreign operations
Settlement of certain intergroup loans to South African entities denominated in US$ is neither planned nor likely to occur in the foreseeable future and the loans are therefore considered to be in substance part of the Group's net investment in the foreign operations. The exchange differences arising on these loans are recognised in the Group's other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

17. FINANCIAL AND OTHER ASSETS

Accounting policy

Measurement: Financial assets at amortised cost

Financial assets at amortised cost are initially recognised at fair value, and subsequently carried at amortised cost less any allowance for impairment.

Measurement: Financial assets at fair value through profit or loss

Financial assets carried at fair value through profit or loss are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets held at fair value through profit or loss are included in the statement of profit or loss in the period in which they arise.

Derecognition: Financial assets

The Group derecognises financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognised in the statement of profit or loss.

Hedge accounting

The Group does not apply hedge accounting.

Accounting policy: Impairment

Financial asset at amortised cost

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest' ('SPPI') on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Impairment requirements are based on expected credit losses (expected credit loss model). Expected credit losses ('ECLs') are an estimate of credit losses over the life of a financial instrument and are recognised as a loss allowance or provision. The amount of ECLs to be recognised depends on the extent of credit deterioration since initial recognition.

The Group applies the expected credit loss model to all debt instruments classified as measured at amortised cost, or at fair value through other comprehensive income, including lease receivables and contract assets.

The Group considers both approaches: the general approach and the simplified approach. For trade receivables (not subject to provisional pricing) due in less than 12 months, the group applies the simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. The Group considers its historical credit loss experience, adjusted for forward looking factors that could indicate impairments taking into account the specific debtors and the economic environment.

The general approach requires the assessment of financial assets to be split into 3 stages:
Stage 1: no significant deterioration in credit quality. This identifies financial assets as having a low credit risk, and the asset is considered to be performing as anticipated. At this stage, a 12 month expected credit loss assessment is required.

Stage 2: significant deterioration in credit quality of the financial asset but no indication of a credit loss event. This stage identifies assets as under-performing. Lifetime expected credit losses are required to be assessed.

Stage 3: clear and objective evidence of impairment is present. This stage identifies assets as non-performing financial instruments. Lifetime expected credit losses are required to be assessed.

Once a default has occurred, it is considered a deterioration of credit risk and therefore an increase in the credit risk.

The Group considers a wide variety of indicators when assessing the increase in credit risk as well as the probability of the default happening for impairment purposes. Some indicators considered include: Significant changes in the expected performance and behaviour of the debtor; past due information; significant changes in external market indicators including market information related to the debtor, existing or forecast adverse changes in business, financial or economic conditions; an actual or expected significant adverse change in the regulatory, economic, or technological environment; actual or expected significant internal credit rating downgrade or decrease; actual or expected significant change in the operating results of the debtor.

The expected credit loss value is determined as the estimated cash shortfall that would be incurred, multiplied by the probability of the default occurring

17. FINANCIAL AND OTHER ASSETS (continued)

Non-current assets	*Fair value hierarchy*	**2023** **US$'000**	2022 US$'000
Financial assets			
Investments in money markets, current accounts, cash funds and income funds	Level 2	**6 040**	6 019
PGM commodity hedging derivative	Level 2	**81**	-
Restricted cash		**13 713**	-
		19 834	6 019
Current assets			
Financial assets			
PGM commodity hedging derivative	Level 2	**2 288**	-
Forward exchange contracts	Level 2	**68**	-
Investments in equity instruments	Level 1	**48**	19
		2 404	19

The carrying amounts of other non-current and current assets carried at amortised cost approximate their fair value.

Investments in money markets, current accounts, cash funds and income funds
Investment in money market and current accounts totalling US$5.3 million (2022: US$5.3 million) is managed by Centriq Insurance Company Limited ('Centriq'). The investment serves as security for the guarantee issued by Centriq to the Department of Mineral Resources and Energy for the rehabilitation provision. The guarantee issued by Centriq has a fixed cover period from 1 December 2020 to 30 November 2023. Subsequent to 30 September 2023, the cover period of the guarantee was renewed to 30 November 2026.

Investment in cash funds and income funds of US$0.7 million (2022: US$0.7 million) is managed by Stanlib Collective Investments. The investment is ceded to Lombard Insurance Group ('Lombard') against a US$0.6 million (ZAR12.0 million) (2022: US$0.7 million (ZAR12.0 million)) guarantee issued by Lombard on behalf of Arxo Logistics Proprietary Limited to Transnet Freight Rail, a division of Transnet SOC Limited. These investments are separately administered and the Group's right of access to these funds is restricted.

The investments in cash funds and income funds are held at fair value through profit or loss. The underlying investments are in money market and other funds and the fair value has been determined by reference to their quoted prices.

PGM commodity hedging derivative
In terms of the commodity off-take financing (note 25), the lenders require commodity price protection for capital repayment amounts against commodity price volatility. The PGM commodity hedging derivative comprises of commodity hedges for a maximum 13-month rolling basis for platinum and palladium. The Group enters into commodity hedges over sufficient of the production to match the capital repayment profile. The total exposure at 30 September 2023 was US$63.8 million expiring not later than 15 October 2024. The commodity hedges were mark-to-market by using applicable quoted closing commodity prices at 30 September 2023.

Restricted cash
The balance represents a debt reserve account held at Absa Bank Limited and serves as security as required by the commodity off-take financing (refer to note 25). The balance arose on 22 September 2023 and represents cash in the name of Tharisa Minerals Proprietary Limited, but Tharisa Minerals Proprietary Limited is unable to utilise the funds on demand due to access restrictions placed by lenders in accessing the account, which is only allowed if certain criteria within the commodity off-take financing agreement is satisfied. The balance is equal to approximately three months' instalments in terms of the commodity off-take financing with the required balance to be maintained dependent on the debt profile. The balance is expected to decrease to US$5.9 million by 15 October 2024.

Forward exchange contracts – fair value through profit or loss
The Group entered into a number of forward exchange contracts to hedge certain aspects of the foreign exchange risk associated with the conversion of the US$ to the ZAR. At 30 September 2023 the net exposure of these contracts was US$11.0 million (2022: US$8.5 million) with various expiries no later than 16 November 2023 (2022: no later than 27 October 2022). The forward exchange contracts were mark-to-market by using applicable closing exchange rates at 30 September 2023 (2022: 30 September 2022).

Investments in equity instruments – fair value through profit or loss
Investments at fair value through profit or loss are valued based on quoted market prices at the end of the reporting period without any deduction for transaction costs. The investment represents shares in the Bank of Cyprus Public Co Limited.

18. DEFERRED TAX

	2023 US$'000	2022 US$'000
Deferred tax assets	**1 709**	1 174
Deferred tax liabilities	**(110 045)**	(112 341)
Net deferred tax liability	**(108 336)**	(111 167)
Deferred tax assets		
Property, plant and equipment	**(62)**	(68)
Tax losses not utilised	**501**	335
Provisions and accrued leave	**461**	366
Share-based payments	**731**	459
Other	**78**	82
	1 709	1 174
Deferred tax liabilities		
Property, plant and equipment	**(114 078)**	(115 537)
Inventory	**2 730**	-
Provisions and accrued leave	**6 106**	5 401
Share-based payments	**160**	181
Dividend withholding tax	**(166)**	(124)
Dividend withholding tax - unremitted distributable reserves of foreign subsidiaries	**(4 143)**	(2 805)
Exchange losses	**(422)**	59
Other	**(232)**	484
	(110 045)	(112 341)
Reconciliation of deferred tax liability		
Balance at the beginning of the year	**(111 167)**	(86 388)
Business combination (note 30)	**-**	(30 263)
Temporary differences recognised in profit or loss in relation to:		
Change in RSA tax rate	**-**	3 333
Capital allowances on property, plant and equipment	**(3 375)**	(11 352)
Provisions and accrued leave	**1 533**	(431)
Tax losses utilised/available for future set off against profits	**177**	645
Currency losses	**(497)**	(558)
Inventory	**2 730**	-
Share-based payments	**293**	(358)
Dividend withholding tax	**(42)**	1 945
Dividend withholding tax - unremitted distributable reserves of foreign subsidiaries	**(1 339)**	(2 805)
Other	**(217)**	(318)
	(737)	(9 899)
Exchange differences	**3 568**	15 383
Balance at the end of the year	**(108 336)**	(111 167)
Amounts recognised in:		
Profit and loss (refer to note 12)	**(737)**	(9 899)

Deferred tax assets and deferred tax liabilities are not offset unless the Group has a legally enforceable right to offset such assets and liabilities.

All of the above amounts have used the currently enacted income taxation rates of the respective tax jurisdictions the Group operates in. South African taxation losses normally expire within 12-months of the respective entities not trading. The deductible temporary timing differences do not expire under current taxation legislation. Deferred tax assets have only been recognised in terms of these items when it is probable that taxable profit will be available in the immediate future against which the respective entities can utilise the benefits therefrom.

Deferred tax assets were recognised for MetQ Proprietary Limited (US$0.2 million) (2022: US$0.2 million), Arxo Finance plc (US$0.1 million) (2022: US$0.1 million) and Redox One Limited (US$0.2 million) (2022: nil), resulting from generated tax losses to be utilised against future taxable income

The estimates used to assess the recoverability of recognised deferred tax assets include a forecast of the future taxable income and future cash flow projections based on a three-year period.

19. INVENTORIES

Accounting policy

Inventories comprising PGM and chrome concentrates, ore stockpiled, in-process metal contained in ore and consumable items are measured at the lower of cost and net realisable value. The cost is determined using the weighted average method and includes direct mining expenditure and an appropriate portion of overhead expenditure. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs to sell. Obsolete, redundant and slow-moving inventories are identified and written down to net realisable value.

	2023 US$'000	2022 US$'000
Finished products	**47 644**	31 778
Ore stockpile	**17 648**	19 939
Consumables	**24 545**	25 085
	89 837	76 802
Reversal of net realisable value write down/(net realisable value write down)	**243**	(3 562)
Total carrying amount	**90 080**	73 240

Inventories are stated at the lower of cost or net realisable value. Low-grade chrome concentrates to the value of US$5.5 million (2022: US$1.6 million) are carried at the realisable value after a net realisable value write down of US$0.2 million (2022: US$0.7 million). The net realisable write down was allocated to the chrome segment.

Certain PGM finished products, which previously were provided for in full, were reprocessed to an acceptable saleable condition during the year ended 30 September 2023. This resulted in a reversal of a write down previously recognised. The reversal amounts to US$0.5 million at 30 September 2023 (2022: write down of US$2.0 million). The provision and the reversal of the net realisable value write down were allocated to the PGM segment.

In addition, certain consumables and spares were provided for during the year ended 30 September 2023 as their operational use became doubtful. The provision to the value of US$0.1 million (2022: US$0.9 million) is allocated 45.0% and 55.0% to the PGM and chrome operating segments respectively (2022: 70.0% and 30.0%).

Judgement and estimates: net realisable value and measurement of inventories

Net realisable value tests are performed at least quarterly based on the estimated future sales price of the products based on prevailing metal prices, less estimated costs to complete production and bring the product to sale. The nature of the net realisable value test inherently limits the ability to precisely monitor recoverability levels and may result in additional write-downs of inventories in future periods.

The prevailing PGM basket price and chrome concentrate prices as at 30 September 2023 were used as estimated selling prices less forecast selling costs to determine the net realisable value of the Group's inventories. At 30 September 2023, except for certain PGM finished products and low-grade chrome concentrates, the calculated net realisable values exceeded the cost of inventories.

Below are the prices and exchange rate used to determine the net realisable value of inventories:

		2023	2022
Platinum	US$/oz	**922**	**878**
Palladium	US$/oz	**1 238**	**2 113**
Rhodium	US$/oz	**3 918**	**13 709**
Gold	US$/oz	**1 918**	**1 684**
Ruthenium	US$/oz	**388**	**440**
Iridium	US$/oz	**4 311**	**3 638**
Metallurgical chrome concentrate	US$/tonne	**284**	**209**
US$: ZAR exchange rate		**18.98**	**17.57**

20. TRADE AND OTHER RECEIVABLES

Accounting policy

Trade and other receivables, excluding the PGM discounting receivable, prepayments, deposits and value added tax, are non-derivative financial assets categorised as financial assets measured at amortised cost.

These non-derivative financial assets are initially recognised at fair value and subsequently carried at amortised cost less allowance for impairment. Estimates made for impairment are based on a review of all outstanding amounts at year end in line with the impairment policy described in note 17. Irrecoverable amounts are written off during the period in which they are identified.

The Group entered into offtake agreements in terms of which the concentrate of the PGMs is treated by the offtake parties. The PGM discounting receivable is measured at fair value through profit or loss from the date of recognition up to date of settlement, as it fails the IFRS 9 amortised cost requirement of cash flows representing solely payment of principal and interest. Payment is due on the last day of the fourth month following delivery.

The fair value changes due to non-market variability (that is, changes based on quantity and quality of the contained metal) are considered to be variable consideration within the scope of IFRS 15 as the Group's right to consideration is contingent upon the physical attributes of the contained metal. Therefore, the variable consideration is considered to be constrained. At each subsequent reporting date the receivable is restated to reflect the fair value movements (market variability) in the pricing mechanism which are recognised in revenue. Foreign exchange movements subsequent to the recognition of a sale are recognised as a foreign exchange gain or loss in profit or loss.

	2023 US$'000	2022 US$'000
Trade receivables	**37 678**	28 041
PGM receivables and PGM discounting receivable	**27 900**	103 634
Total trade receivables	**65 578**	131 675
Other receivables – related parties (refer to note 33)	**112**	57
Deposits, prepayments and other receivables*	**23 455**	4 342
Accrued income	**4 726**	4 660
Value added tax (VAT) receivable	**9 870**	8 935
	103 741	149 669

* The increase in deposits, prepayments and other receivables mainly relates to deposits paid to suppliers of capital equipment for Karo Platinum (Private) Limited. In order to secure capital orders, suppliers require deposit payments.

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 receivables and PGM discounting receivable was determined on ruling quoted market prices and exchange rates. At 30 September 2022, PGM receivables of US$26.9 million was included in trade receivables. Since the fair value of the PGM receivables is determined by quoted market prices and exchange rates and it represents a Level 2 financial instrument in terms of the fair value hierarchy, the amount has been reclassified to PGM receivables and PGM discounting receivable at 30 September 2023. The reclassification had no impact on any reported totals, earnings per share or on any amounts presented in the statement of financial position.

During the year ended 30 September 2023, the limited recourse disclosed receivables discounting agreement in respect of the PGM discounting receivable was wound down and settled in full. The PGM receivable represents receivables arising from the delivery of PGM concentrates to off-take parties valued at the closing exchange rate and closing market prices.

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 (30 September 2022: 0 to 120 days). During the year ended 30 September 2023, customers, for which a credit loss allowance was previously recognised, settled the outstanding balances in full. Consequently, the relating expected credit loss allowance was reversed. The reversal amounted to US$0.1 million (2022: expected credit loss allowance of US$0.1 million raised). The expected credit loss reversal relates to the chrome and manufacturing segments (2022: manufacturing segment). No impairment of trade receivables was recognised due to their insignificant exposure to credit risk during the years ended 30 September 2023 and 30 September 2022.

20. TRADE AND OTHER RECEIVABLES (continued)

The table below summarises the maturity profile of trade receivables:	2023 US$'000	2022 US$'000
Current	**64 977**	130 916
Less than 90 days past due but not impaired	**558**	390
Greater than 90 days past due but not impaired	**43**	369
	65 578	131 675
The credit exposure of trade receivables by country is as follows:		
South Africa	**36 618**	108 378
China	**11 483**	6 163
Hong Kong	**-**	12 264
Singapore	**17 402**	4 310
Other countries	**75**	560
	65 578	131 675
The foreign currency balances, translated to US$ included in trade receivables were as follows:		
ZAR'000	**8 123**	4 125
US$'000	**57 455**	127 550

Diesel rebates

At 30 September 2023, the Group had certain unresolved tax matters. Included in trade and other receivables is an amount of US$4.4 million (ZAR82.3 million) (2022: US4.6 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 period from September 2011 to February 2018. The Group is taking the necessary action to recover the amount due and believes that it remains probable that the amounts will be recovered.

Judgements and estimates: expected credit losses ('ECL')

The Group applies a simplified approach to measure the loss allowance for trade receivables classified at amortised cost, using the lifetime expected loss provision. The expected credit loss on trade receivables is estimated using a provision matrix by reference to past default experience and credit rating if available, adjusted as appropriate for current observable data.

The customer base of the Group consists of a limited number of premium customers of high credit quality and no historical defaults, with relationships that have been established over many years. The sale of products typically is of a high quantity and consequently high value. The Group's policy and preference is to sell products in large quantities to only established premium customers. The Group believes that this policy reduces the overall group credit risk.

PGM concentrate is sold in terms of off-take agreements to a limited number of clients. The following entity-specific observable data was considered for each of the PGM customers:

- An assessment of the accessibility and transparency of the business relationship with the customer, with specific reference to how differences (if any) in assayed results had been resolved and whether any requests to amend contractual terms had been received;
- The payment history and history of credit limits granted;
- A general assessment of the bi-annual financial statements with specific reference to cash flow information, servicing of outstanding debt and outstanding commitments;
- A general review of the quarterly production and operational information; and
- An assessment of the reputation of the customer across the mining industry.

The majority of chrome concentrates are exported from South Africa. For export chrome concentrate transactions, payment terms vary from 30 days to 90 days, however, the Group obtains letters of credit from reputable financial institutions before shipment occurs. The Group only accepts letters of credit from financial institutions that are approved by the Group's financiers. Before entering into an export chrome concentrate sale agreement, the Group ensures that the customer/potential customer is able to provide a letter of credit from such an acceptable financial institution.

20. TRADE AND OTHER RECEIVABLES (continued)

Judgements and estimates: ECL (continued)

The Group also sells chrome concentrates locally. The following entity-specific observable data was considered for local customers:

- An assessment of the accessibility and transparency of the business relationship with the customer, with specific reference to the manner how differences (if any) in results and quantities delivered were resolved and whether any requests to amend contractual terms had been received;
- The payment history and record of the credit limit granted;
- A comparison between the Group's balance owing in terms of the unsecured loan financing and the credit provided to the customer; and
- An assessment of the reputation of the customer across the mining industry.

The following entity-specific forward looking information was considered in estimating the ECL allowance:

- PGM pricing forecast and global supply and demand;
- Chrome supply and demand through the value chain i.e. to stainless steel production and general state of growth in the global economy;
- Chinese chrome port stocks;
- Banks credit ratings and inflation;
- Trade facilities available to the Group; and
- For chrome concentrate sales the South African rail and port infrastructure.

For customers of the manufacturing operating segment, a combination of the aforementioned considerations are taken into account to estimate the ECL allowance.

21. CONTRACT ASSETS

Accounting policy

Contract assets are non-derivative financial assets categorised as other financial assets recognised and measured at the amount of consideration the Group is contractually entitled to in exchange for the transfer of goods and services. Timing of revenue recognition may differ from the timing of invoicing to customers. The Group records a contract asset in the statement of financial position, when goods or services have been transferred to a customer before the customer pays the consideration or before payment is due.

	2023 US$'000	2022 US$'000
Freight services	**1 876**	2 078

The balance represents prepaid freight costs and will be recognised in cost of sales upon completion of the performance obligations.

22. CASH AND CASH EQUIVALENTS

Accounting policy

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments held for the purpose of meeting short-term cash commitments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are stated at amortised cost less any expected credit losses.

	2023 US$'000	2022 US$'000
Bank balances	**162 071**	106 873
Short-term bank deposits and money market investments	**93 229**	36 427
	255 300	143 300
The credit exposure by country is as follows:		
South Africa	**142 306**	58 192
Hong Kong	**3 997**	38 261
Mauritius	**42 471**	20 301
United Kingdom	**609**	586
Zimbabwe	**20 313**	2 745
Cyprus	**45 596**	23 059
Other countries	**8**	156
	255 300	143 300

22. CASH AND CASH EQUIVALENTS

The credit exposure by bank and credit ratings are as follows:		2023 US$'000	2022 US$'000
Nedbank	BB-	**90 173**	37 108
HSBC	A+	**43 502**	38 275
Bank of China	A	**26 988**	3 700
Bank of Cyprus	B+	**45 596**	23 059
Citibank	A	**8 410**	3 324
Stanlib Corporate Money Market	BB-	**24 659**	17 249
Absa	BB-	**4 194**	20 436
Commercial Bank of Zimbabwe	AA- (ZW)	**8 962**	-
Other	A+ to B	**2 816**	149
		255 300	143 300

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. The amounts reflected approximate fair value.

At 30 September 2023, an amount of US$2.0 million (2022: US$2.1 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 (2022: US$0.3 million) was provided as security against certain credit facilities of the Group.

23. SHARE CAPITAL AND RESERVES

Accounting policy: share capital
The share capital is stated at nominal value. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

When share options are exercised in terms of the Tharisa Share Award Plan, the Company issues new shares or issues shares from treasury shares held. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium.

Accounting policy: non-controlling interest
Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of the acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control, are accounted for as equity transactions.

Share capital	30 September 2023 Number of Shares	US$'000	30 September 2022 Number of Shares	US$'000
Authorised – ordinary shares of US$0.001 each	**10 000 000 000**	**10 000**	10 000 000 000	10 000
Authorised – convertible redeemable preference shares of US$1 each	**1 051**	**1**	1 051	1
Issued ordinary shares				
Balance at the beginning of the year	**302 596 743**	**303**	275 000 000	275
Issued during the year	**-**	**-**	27 596 743	28
Balance at the end of the year	**302 596 743**	**303**	302 596 743	303
Treasury shares				
Balance at the beginning of the year	**2 850 378**	**3**	3 715 621	4
Transferred as part of management share award plans	**(273 329)**	**-**	(865 243)	(1)
Balance at the end of the year	**2 577 049**	**3**	2 850 378	3
Issued and fully paid	**300 019 694**	**300**	299 746 365	300
Share premium				
Balance at the beginning of the year	**299 746 365**	**345 597**	271 284 379	289 547
Shares issued	**273 329**	**396**	28 461 986	56 050
Balance at the end of the year	**300 019 694**	**345 993**	299 746 365	345 597
Total share capital and premium		**346 293**		345 897

23. SHARE CAPITAL AND RESERVES (continued)

Share capital

No shares were issued during the year ended 30 September 2023. During the year ended 30 September 2022, the Company issued 13 693 000 ordinary shares to The Leto Settlement, a related party, as consideration for the controlling interest in Karo Mining Holdings plc (refer to note 30). In addition, the Company issued 10 695 187 and 3 208 556 ordinary shares to Thari Resources Proprietary Limited and The Tharisa Community Trust respectively, both related parties, as consideration for the acquisition of the non-controlling interest in Tharisa Minerals Proprietary Limited.

During the year ended 30 September 2023, 273 329 (2022: 865 243) 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.

At 30 September 2023, 2 577 049 (2022: 2 850 378) ordinary shares were held in treasury.

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.

During the years ended 30 September 2023 and 30 September 2022, the increases in the share premium account related to the issue and allotment of ordinary shares.

Other reserve

The other reserve represents a historic ordinary share issue by the Company to parties external to the Group in exchange for preference shares in Tharisa Minerals. The ordinary shares were issued at a price reflective of the fair value of the preference shares less share issue costs, which was in excess of the nominal value of the ordinary shares, but the excess was not registered as share premium at the Registrar of Companies in Cyprus, thus presented and disclosed separately from share premium. The other reserve is not distributable for dividend purposes.

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations with a functional currency other than US$ and foreign currency differences relating to translation of intergroup loans and funding arrangements which are considered to be part of the Company's net investment in a foreign operation.

Retained earnings

The retained earnings include the accumulated retained profits and losses of the Group (2023: US$425.1 million (2022: US$357.2 million) and the share-based payment reserve (2023: US$2.6 million (2022: US$1.2 million)). Retained earnings are distributable for dividend purposes.

Capital management

The Group's target is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business in a way that optimises the cost of capital and matches the current strategic business plan. The Board of Directors monitors both the demographic spread of shareholders, as well as the return on capital. Capital is defined as equity attributable to owners of the Company. Management is aware of the risks associated to capital management. Capital needs are monitored on a regular basis and whenever needed management takes steps in an attempt to effectively manage any corresponding risks.

Non-controlling interests

Non-controlling interests at 30 September 2023 and 30 September 2022 comprise amounts attributable to the Government of Zimbabwe for its 15% share in Karo Platinum (Private) Limited as well as amounts attributable to the Leto Settlement for its 25% (2022: 30%) share in Karo Mining Holdings plc.

The non-controlling interest share of total comprehensive income for the year amounts to US$4.5 million (2022: US$9.5 million).

23. SHARE CAPITAL AND RESERVES (continued)

Increase in shareholding in Karo Mining Holdings plc ('Karo Mining')

The Company acquired the controlling interest in Karo Mining at 30 March 2022 (refer to note 30) increasing its shareholding to 66.34%. Subsequent to the acquisition, the Company subscribed for additional new shares issued by Karo Mining, increasing its shareholding to 70.0% at 30 September 2022.

Effective 30 June 2023, Karo Mining issued an additional 3 800 new ordinary shares for a cash subscription of US$27.3 million to the Company. The additional shares issued represented 2.33% of the issued share capital of Karo Mining which increased the Company's shareholding to 72.33%.

Effective 31 July 2023, Karo Mining issued an additional 5 248 new ordinary shares for a cash subscription of US$37.7 million to the Company. The additional shares issued represented 2.68% of the issued share capital of Karo Mining which increased the Company's shareholding to 75.00%.

	2023 US$'000	2022 US$'000
Consideration for additional new shares issued by Karo Mining	**-**	-
Reduction in non-controlling interest	**(6 594)**	(4 509)
Increase to equity attributable to ordinary shareholders	**6 594**	4 509

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

During the year ended 30 September 2022, the Company acquired the remaining 26% of the issued share capital of Tharisa Minerals (Proprietary) Limited ('Tharisa Minerals') from the non-controlling shareholders. 20% of the issued share capital was acquired for a purchase consideration of US$19.9 million (ZAR300.0 million) from Thari Resources Proprietary Limited and the remaining 6% from the Tharisa Community Trust for a purchase consideration of US$5.7 million (ZAR90.0 million). The purchase consideration was settled through the issue of 13 903 743 new ordinary shares in the Company.

	2022 US$'000
Shares issued as consideration	25 627
Reduction in non-controlling interest	(16 473)
Reduction to equity attributable to ordinary shareholders	9 154

24. PROVISIONS

Accounting policy

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Long-term environmental obligations are based on the Group's environmental management plans, in compliance with the current environmental and regulatory requirements.

Where it is not possible that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Rehabilitation costs

The net present value of estimated future costs for mine closure and rehabilitation is recognised and provided for in the consolidated financial statements and capitalised within mining assets on initial recognition. Rehabilitation will generally occur on closure or after closure of a mine. Initial recognition of the provision is at the time that the disturbance occurs and thereafter as and when additional disturbances take place.

The estimates are reviewed bi-annually to take into account the effects of inflation and changes in estimates and are discounted using rates that reflect the time value of money. Bi-annual increases in the provision due to the passage of time are recognised in profit or loss as an unwinding of the value of the provision expense. The present value of additional disturbances and changes in the estimate of the rehabilitation liability is recognised in mining assets as a direct cost against an increase in the rehabilitation provision. The rehabilitation asset is depreciated as per the Group's accounting policy on depreciation. Rehabilitation projects undertaken, included in the estimates, are charged to the provision as incurred.

Costs for restoration and rehabilitation which are created on an ongoing basis during production of inventories are provided for at their net present values and included as part of inventory costs. Environmental liabilities, other than rehabilitation costs, which relate to liabilities arising from specific events, are recognised in the consolidated statement of financial position when they are known, probable and may be reasonably estimated. Gains or losses from the expected disposal of assets are not taken into account when determining the provision.

24. PROVISIONS (continued)

Non-current	2023 US$'000	2022 US$'000
Provision for rehabilitation	**19 335**	12 376
Current		
Provision for mining royalty	**47 715**	50 444

Provision for rehabilitation

The Group has a legal obligation to rehabilitate the mining area, once the mining operations cease. The provision has been calculated based on total estimated rehabilitation costs, discounted back to their present values. The pre-tax discount rates are adjusted annually and reflect current market assessments. These costs are expected to be utilised mostly towards the end of the life of mine and associated infrastructure. The provision for the Tharisa Mine is determined using commercial closure cost assessments and not the inflation adjusted Department of Mineral Resources and Energy published rates.

	2023			2022		
	Restoration US$'000	Decommis-sioning US$'000	Total provision US$'000	Restoration US$'000	Decommis-sioning US$'000	Total provision US$'000
Opening balance	**7 190**	**5 186**	**12 376**	13 737	6 194	19 931
Recognised in profit and loss	**7 383**	**(203)**	**7 180**	(6 071)	-	(6 071)
Capitalised/(reversal) to mining assets and infrastructure	**-**	**(604)**	**(604)**	-	(622)	(622)
Unwinding of discount (note 10)	**683**	**502**	**1 185**	1 197	543	1 740
Exchange differences	**(650)**	**(152)**	**(802)**	(1 673)	(929)	(2 602)
Closing balance	**14 606**	**4 729**	**19 335**	7 190	5 186	12 376

The table below illustrates the movement in the provision as a result of mining operations and changes in variables.

30 September 2023	Opening balance US$'000	Mining operations US$'000	Changes in variables/ estimates US$'000	Exchange differences US$'000	Closing Balance US$'000
Provision for restoration	**7 190**	**2 299**	**5 767**	**(650)**	**14 606**
Provision for decommissioning	**5 186**	**535**	**(840)**	**(152)**	**4 729**
	12 376	**2 834**	**4 927**	**(802)**	**19 335**
30 September 2022					
Provision for restoration	13 737	918	(5 792)	(1 673)	7 190
Provision for decommissioning	6 194	1 132	(1 211)	(929)	5 186
	19 931	2 050	(7 003)	(2 602)	12 376

The current estimated rehabilitation cost for the Tharisa Mine to be incurred taking escalation factors into account is US$73.5 million (ZAR1 390.5 million) (2022: US$41.3 million (ZAR745.9 million)). The estimate was calculated by an independent external expert. The change is mainly due to the considerations of the closure objectives as set out in the Environmental Management Plan and what is most likely to occur as these impacts are being reconsidered and the expected timing of performing this work which is driven to a large extent by the most likely life of mine. The change is also impacted to a smaller extent by the changes in future inflation and discount rates.

The current estimated rehabilitation cost is projected to a future value based on a weighted average long-term inflation rate of 6.41% (2022: 6.81%). The net present value of the rehabilitation estimated future value is discounted based on a weighted average SWAP curve. The calculated interest rate was 9.98% (2022: 9.61%). An insurance company has provided a guarantee to the Department of Mineral Resources and Energy to satisfy the legal requirements with respect to environmental rehabilitation and the Group has pledged as collateral its investments in interest-bearing instruments to the insurance company to support this guarantee.

24. PROVISIONS (continued)

Judgement and estimates: closure objectives as set out in the Environmental Management Plan

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. The approved Environmental Management Programme ('EMPr') of Tharisa Minerals Proprietary Limited ('Tharisa Minerals') 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. Tharisa Minerals has evaluated alternative mine closure strategies building on the establishment of a post-mining economy with socioeconomic benefits. An amendment 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'). This application was supported by the necessary specialty studies. On 19 September 2023 the DMRE advised that it had decided to refuse the application. Tharisa Minerals has submitted an appeal of this decision in terms of the applicable regulations and is confident of a successful ruling in its favour on the appeal. As there is uncertainty as to the successful outcome of the appeal, Tharisa Minerals has applied a probability weighted factor in calculating the mine closure liability applying a 60% (2022: 60%) probability to the successful outcome of the appeal and approval of the pit-lake option. In the alternative, Tharisa Minerals has applied a 30% (2022: 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 on a stepped basis for each bench and, with the passage of time, result in a pit-lake forming in the void. In view of the adverse record of decision by the DMRE and notwithstanding Tharisa Minerals' expectation of a favourable ruling on the appeal, Tharisa Minerals has applied a 10% (2022: nil) probability to the complete backfill of the pit voids to natural ground level. The rehabilitation expense and provision has been accounted for on this basis. Tharisa Minerals is confident of the successful outcome of the appeal in its engagement with the DMRE, failing which it will proceed to challenge the decision through the judicial system. It is not possible to determine and measure any additional requirements that may be required as the amended EMPr is advanced through the various regulatory process, hence no provision has been made for any such potential additional requirements.

At 30 September 2023 the Group performed a sensitivity analysis by applying different weighted probabilities to the actual weighted probability factor used in determining the provision for rehabilitation. A 57.5% probability was applied to the successful outcome of the appeal and approval of the pit-lake option, a 27.5% probability used to an alternative 'make safe' option with the partial backfilling of the pit and a 15.0% probability to the complete backfill of the pit voids to natural ground level. By using these probabilities, the provision for rehabilitation would increase by US$3.4 million (ZAR65.2 million).

Provision for mining royalty	**2023 US$'000**	2022 US$'000
Opening balance	**50 444**	30 953
Raised during the year	**-**	28 175
Reversed during the year	**(503)**	-
Exchange differences	**(2 226)**	(8 684)
Closing balance	**47 715**	50 444

The provision raised for the ongoing mining royalty dispute at 30 September 2022 of US$50.4 million was presented as part of the trade and other payables line item. This provision has correctly been reclassified from the trade and other payables line item and presented as a provision at 30 September 2023. The prior year reclassification had no impact on any reported totals presented on the statement of financial position nor any impact on the earnings of the Group.

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$5.4 million (ZAR102.3 million) (2022: US$5.7 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 22 July 2024. 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. 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 has provided for an estimated incremental mining royalty for the period up to the current year of assessment to be US$31.4 million (ZAR594.9 million) (2022: US$20.0 million (ZAR361.9 million)), with the amount net of tax estimated to be US$23.0 million (ZAR434.3 million) (2022: US$10.0 million (ZAR180.6 million)). In addition, the remained of the balance provided for mainly represents estimated interest and penalties. 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 been made.

25. BORROWINGS

Accounting policy: borrowings
Borrowings are non-derivative financial liabilities categorised as other financial liabilities. Borrowings are recognised initially at fair value, net of transaction costs incurred, where applicable and subsequently measured at amortised cost using the effective interest rate method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Accounting policy: leases
The Group recognises a lease liability at the commencement date of the contract for all leases conveying the right to control the use of an identified assets for a specified period. The commencement date is the date on which a lessor makes an underlying asset available for use by the lessee.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability include the following:

- Fixed payments, less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- Lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and
- Payments of penalties for early terminating the lease, unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, an extension or a termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets:
The Group has elected not to recognise lease liabilities for short-term leases that do not contain a purchase option and have a lease term of 12 months or less and leases of low-value assets such as computer equipment.

Non-current	**2023 US$'000**	2022 US$'000
Commodity off-take financing	**30 347**	-
Bond – listed on the Victoria Falls Stock Exchange	**26 392**	-
Asset backed facilities	**18 951**	21 262
Lease liabilities	**695**	1 786
	76 385	23 048
Current		
Commodity off-take financing	**47 356**	-
Bond – listed on the Victoria Falls Stock Exchange	**765**	-
Asset backed facilities	**13 133**	13 681
Lease liabilities	**2 017**	1 793
Property loans	**-**	553
Bank credit facilities	**-**	23 809
	63 271	39 836

The fair value of borrowings approximates its carrying amounts as the interest rates charged are variable and considered to be market related. At 30 September 2023, the Group has unutilised borrowing facilities available of US$70.3 million (2022: US$31.2 million).

Commodity off-take financing
On 27 March 2023, the Group concluded a US$130 million, 42-month commodity off-take based facility with Société Générale and Absa Bank Limited. The Facility comprises a term loan of US$80 million and a revolving US$50 million facility, secured by commodity off-take agreements, PGM commodity hedging derivative (note 17) and restricted cash (note 17). Interest accrues at the SOFR plus 360 basis point on the term loan and the SOFR plus 420 basis points on the revolving facility. The conditions precedent were fulfilled on 22 September 2023 and the first drawdown occurred on 28 September 2023. The financing is repayable in 42 months from October 2023. The revolving US$ 50 facility remains undrawn as at 30 September 2023. The bridge term loan was repaid upon the first drawdown.

25. BORROWINGS (continued)

Bond – listed on the Victoria Falls Stock Exchange
On 16 December 2022, a subsidiary of the Company, Karo Mining Holdings plc ('Karo Mining') raised external funds of US$26.4 million through the issuance of a listed bond on the VFEX in Zimbabwe. The bond has a 3-year maturity, has an annual coupon of 9.5% and is measured at amortised cost using the effective interest rate. Interest payments will occur every 6-months. The Company has guaranteed the capital amount and interest payments relating to the bond issue.

The fair value of the bond will typically be determined at its closing market value on the VFEX. However, during the year ended 30 September 2023, no trading occurred resulting in no available market value of the bond. Consequently, at 30 September 2023 the bond's carrying value approximates its fair value.

Asset backed facilities
Asset backed facilities comprise of the equipment loan facility, Atrafin loan, commercial asset finance and the revolving facility.

Equipment loan facility
The equipment loan facility represents funding for certain Caterpillar mining equipment, both replacement parts and new mining equipment, from Caterpillar Financial Services Corporation. The total facility amounts to US$35 million (2022: US$35 million), bears interest rates between the one-month SOFR plus 325 basis points and the one-month SOFR plus 350 basis points (2022: one-month SOFR plus 325 basis points and one-month SOFR plus 350 basis points) and is repayable over 48 months from drawdown. The unutilised portion of the facility (US$15.8 million) is available for drawdown until 28 February 2027. The acquired equipment serves as security for the loan facility.

The equipment loan facility contains the following Group financial covenants:

- Net debt to tangible net worth not higher than 1.4 times;
- Net debt to EBITDA lower than 2.0 times; and
- EBITDA to interest greater than 4.0 times.

At 30 September 2023 and 30 September 2022, the Group complied with all financial covenants.

Atrafin loan
The loan from Atrafin LLC is for a total amount of US$3.7 million (2022: US$3.7 million), bears interest at the six-month SOFR plus 225 basis points (2022: six-month US Libor plus 200 basis points) and is repayable in ten equal bi-annual instalments ending May 2026. For the transition from LIBOR to SOFR, the Group applied the practical expedient available within the Interest Rate Benchmark Reform - Phase 2 amendments as the transition was as a direct consequence of the IBOR reform and was completed on an economically equivalent basis. The transition had no material impact on the results for the year ended 30 September 2023. The balance outstanding at 30 September 2023 amounted to US$2.2 million (2022: US$3.0 million).

Commercial Asset Finance
Tharisa Minerals Proprietary Limited entered into a commercial asset finance facility with Absa Bank Limited to the value of US$7.9 million (ZAR150.0 million) during the year ended 30 September 2021. The balance outstanding at 30 September 2023 amounted to US$5.5 million (2022: US$6.9 million). The facility bears interest at the South African Prime rate less 115 basis points and is repayable monthly in arrears over 48 months. The equipment acquired by utilising this facility serves as security. As part of the commercial asset finance facility, Absa Bank Limited provided Tharisa Minerals Proprietary Limited with a bank overdraft facility to the value of US$2.6 million (ZAR50.0 million). At 30 September 2023 and 30 September 2022, the overdraft facility was available in full and included in the unutilised borrowing facilities.

Revolving facility
Tharisa Minerals Proprietary Limited entered into a revolving facility with Wesbank Corporate Finance for a facility of US$6.9 million (ZAR125 million) during the year ended 30 September 2022. The facility bears interest at the RSA prime rate less between 65 and 115 basis points and is repayable monthly in arrears between 36 and 48 months commencing in November 2022. The facility is for financing mining equipment and specifically includes drill rigs and excavators. Such equipment serves as security for the facility. The balance outstanding at 30 September 2023 amounted to US$5.2 million (2022: US$1.4 million).

Bridge term loan
Effective 21 October 2022, the Group concluded a bridge loan facility from Absa Bank Limited to a maximum of US$60.0 million. The facility carried interest at the SOFR plus 295 basis points which increased monthly by 25 basis points after the first six-months and was repayable in twelve equal monthly instalments. The bridge term loan terminated upon the first drawdown of the commodity off-take financing facility on 28 September 2023.

25. BORROWINGS (continued)

Lease liabilities

The Group entered into a number of lease arrangements for the renting of office buildings, premises, computer equipment, vehicles and mining fleet. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that do not contain a purchase option and that have a lease term of 12 months or less and leases of low-value assets such as computer equipment. Lease expenses of US$0.1 million (2022: US$0.2 million) and US$0.1 million (2022: US$0.1 million) were included in cost of sales and other operating expenses respectively for the year ended 30 September 2023.

The duration of leases relating to buildings and premises is for a period of five years, payments are due at the beginning of the month escalating annually on average by 8.0%. At 30 September 2023, the remaining term of these leases vary between one and four and a half years (2022: one and five years). These leases are secured by cash deposits varying from one to three times the monthly lease payments.

The duration of leases relating to the mining fleet and manufacturing equipment are for periods between twelve and forty eight months (2022: twelve and forty eight months) and bear interest at interest rates between the South African prime interest rate and the South African prime interest rate plus 375 basis points (2022: South African prime interest rate plus 375 basis points). The leases are secured by the mining fleet leased.

Lease payments due:	**2023 US$'000**	2022 US$'000
Within one year	**2 116**	2 030
Two to five years	**718**	1 883
	2 834	3 913
Less future finance charges	**(122)**	(334)
Present value of lease payments due	**2 712**	3 579
Present value of lease payments due:		
Within one year	**2 017**	1 793
Two to five years	**695**	1 786
	2 712	3 579

Property loans

As part of the acquisition of MetQ Proprietary Limited during the year ended 30 September 2020, the Group acquired industrial premises and buildings. MetQ Proprietary Limited acquired these buildings and premises immediately before the business combination and secured funding in the form of loans owing to the previous owners. These loans were settled in full during the year ended 30 September 2023.

Bank credit facilities

The bank credit facilities relate to pre-and post-shipment finance and discounting of the letters of credit by the Group's banks following performance of the letter of credit conditions by the Group, which results in funds being received in advance of the normal payment date. Interest on these facilities at the reporting date varied between the one-month SOFR plus 165 basis points and the one-month SOFR plus 305 basis points (2022: one-month SOFR plus 165 basis points and the one-month SOFR plus 305 basis points). Inventory serves as security for credit facilities. The available bank credit facilities at 30 September 2023 amounted to US$20.0 million (2022: nil). Bank credit facilities are not included in unutlised borrowing facilities at 30 September 2023.

25. BORROWINGS (continued)

	Asset backed facilities US$'000	Commodity off-take financing US$'000	Bridge term loan US$'000	Bond – listed on the Victoria Falls Stock Exchange US$'000	Lease liabilities US$'000	Bank credit facilities US$'000	Property loans US$'000	Total borrowings US$'000
Balance 30 September 2022	34 943	-	-	-	3 579	23 809	553	62 884
Changes from financing cash flows								
Advances: bank credit facilities	-	-	-	-	-	5 890	-	5 890
Repayment: bank credit facilities	-	-	-	-	-	(29 689)	-	(29 689)
Net repayment of bank credit facilities	-	-	-	-	-	(23 799)	-	(23 799)
Advances received	13 022	80 732	59 936	26 392	-	-	-	180 082
Repayment of borrowings	(15 443)	-	(61 429)	-	-	-	(550)	(77 422)
Principal lease payments	-	-	-	-	(2 500)	-	-	(2 500)
Repayment of interest	(2 865)	-	(2 015)	(1 115)	(241)	(48)	-	(6 284)
Changes from financing cash flows	(5 286)	80 732	(3 508)	25 277	(2 741)	(23 847)	(550)	70 077
Foreign currency translation differences	(1 503)	(3 146)	-	-	(129)	-	(3)	(4 781)
Liability-related changes								
Lease agreements entered into	-	-	-	-	133	-	-	133
Re-measurement of lease liabilities	-	-	-	-	1 502	-	-	1 502
Interest expense	2 945	101	2 255	1 880	241	38	-	7 460
Revaluation of foreign denominated loan	985	16	1 253	-	127	-	-	2 381
Total liability-related changes	3 930	117	3 508	1 880	2 003	38	-	11 476
Balance at 30 September 2023	32 084	77 703	-	27 157	2 712	-	-	139 656
Non-current borrowings	18 951	30 347	-	26 392	695	-	-	76 385
Current borrowings	13 133	47 356	-	765	2 017	-	-	63 271
Total borrowings	32 084	77 703	-	27 157	2 712	-	-	139 656

25. BORROWINGS (continued)

	Asset backed facilities US$'000	Lease liabilities US$'000	Bank credit facilities US$'000	Property loans US$'000	Loan from related party US$'000	Total borrowings US$'000
Balance 30 September 2021	28 485	5 385	1 774	664	542	36 850
Changes from financing cash flows						
Advances: bank credit facilities	-	-	209 904	-	-	209 904
Repayment: bank credit facilities	-	-	(187 878)	-	-	(187 878)
Net repayment of bank credit facilities	-	-	22 026	-	-	22 026
Advances received	20 942	-	-	-	-	20 942
Repayment of borrowings	(13 906)	-	-	-	(500)	(14 406)
Principal lease payments	-	(3 793)	-	-	-	(3 793)
Repayment of interest	(1 403)	(406)	(306)	-	(55)	(2 170)
Changes from financing cash flows	5 633	(4 199)	21 720	-	(555)	22 599
Foreign currency translation differences	(6 358)	(766)	-	(111)	-	(7 235)
Liability-related changes						
Lease agreements entered into	-	2 712	-	-		2 712
Re-measurement of lease liabilities	-	8	-	-		8
Interest expense	1 515	448	315		13	2 291
Revaluation of foreign denominated loan	5 668	(9)	-		-	5 659
Total liability-related changes	7 183	3 159	315	-	13	10 670
Balance at 30 September 2022	34 943	3 579	23 809	553	-	62 884
Non-current borrowings	21 262	1 786	-	-	-	23 048
Current borrowings	13 681	1 793	23 809	553	-	39 836
Total borrowings	34 943	3 579	23 809	553	-	62 884

26. OTHER FINANCIAL LIABILITIES

Accounting policy

Measurement: Financial liabilities at fair value through profit or loss

Financial liabilities carried at fair value through profit or loss are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss. Realised and unrealised gains and losses arising from changes in the fair value of the financial liabilities held at fair value through profit or loss are included in the statement of profit or loss in the period in which they arise. Where management has designated to recognise a financial liability at fair value through profit or loss, any changes associated with the Group's own credit risk will be recognised in other comprehensive income.

Derecognition: Financial liabilities

The Group derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Non-current liabilities	*Fair value hierarchy*	**2023 US$'000**	2022 US$'000
Option granted to NCI to call upon shares in Karo Platinum (Private) Limited	Level 3	**11**	**16 779**
Current liabilities			
PGM discount facility hedging derivative	Level 2	**-**	**337**
Forward exchange contracts (note 17)	Level 2	**-**	**189**
		-	**526**

Option granted to NCI to call upon shares in Karo Platinum (Private) Limited (refer to note 30)

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 from 30 March 2022, but before 36 months, payable in cash at the net present value of Karo Platinum at 30 March 2022. The increase in the shareholding may, at the election of Karo Mining Holdings plc, 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.

PGM discount facility hedging derivative

During the year ended 30 September 2023, the limited recourse disclosed receivables discounting agreement in respect of the PGM discounting receivable was wound down.

27. TRADE AND OTHER PAYABLES

Accounting policy

Trade and other payables, excluding payroll creditors and leave pay accruals are non-derivative financial liabilities categorised as other financial liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date. Liabilities arising in respect of salaries, annual leave and other benefits due to be settled within 12 months of the reporting date are measured at rates which are expected to be paid when the liability is settled.

	2023 US$'000	2022 US$'000
Trade payables	**50 329**	42 753
Accrued expenses	**33 897**	24 982
Leave pay accrual	**5 520**	4 932
Value added tax payable	**3 497**	89
Other payables – related parties (note 33)	**109**	113
Other payables	**112**	587
	93 464	73 456
Trade payables in foreign currency balances translated to US$ were as follows:		
US$	**2 647**	5 554
ZAR	**46 793**	37 046
EUR	**857**	142
Other	**32**	11
	50 329	42 753

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.

The provision raised for the ongoing mining royalty dispute at 30 September 2022 of US$50.4 million was presented as part of the trade and other payables line item. This provision has correctly been reclassified from the trade and other payables line item and presented as a provision at 30 September 2023. The prior year reclassification had no impact on any reported totals presented on the statement of financial position nor any impact on the earnings of the Group.

28. CONTRACT LIABILITIES

Accounting policy

Contract liabilities are non-derivative financial liabilities categorised as other financial liabilities. Contract liabilities are recognised when a customer has paid the consideration or the payment is due from the customer before the entity has transferred all of the promised goods or services in a contract. Timing of revenue recognition may differ from the timing of invoicing to customers. A contract liability is measured based on the unearned revenue received (income received in advance) within a contract and is presented as a current liability in the statement of financial position due to its short-term nature.

	2023 US$'000	2022 US$'000
Freight services	**1 876**	2 078

The balance represents deferred revenue for which performance conditions still have to be satisfied.

29. TAX PAID

	2023 US$'000	2022 US$'000
Opening balance		
Current taxation receivable	**7 302**	8 949
Current taxation payable	**(2 056)**	(286)
Corporate income tax for the year	**(26 051)**	(40 595)
Special contribution for defence in Cyprus	**(118)**	(1)
Dividend withholding tax	**(658)**	(2 572)
Tax refunds received	**(7 225)**	(34)
Interest receivable/(payable)	**20**	(1)
Business combination (note 30)	**-**	(6)
Closing balance		
Current taxation receivable	**(1 851)**	(7 302)
Current taxation payable	**766**	2 056
Exchange differences on translation	**(114)**	(1 405)
Tax paid	**(29 985)**	(41 197)

30. BUSINESS COMBINATION

Accounting policy

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired.

Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at the fair value at the date of acquisition. If an obligation to pay the contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in fair value of the contingent consideration are recognised in profit or loss.

Acquisition of Karo Mining Holdings plc

Effective 30 March 2022, the Company acquired a controlling interest in Karo Mining by increasing its shareholding to 66.34% in Karo Mining. Prior to the acquisition, the investment in Karo Mining was accounted for as a joint venture investment at cost. At 30 September 2021 the joint venture investment represented 26.8% of the issued share capital of Karo Mining, a company incorporated in Cyprus. 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 totalling US$5.0 million.

The 37.96% of the issued share capital of Karo Mining was acquired from The Leto Settlement, a related party (refer to note 33) for a purchase consideration of US$29.4 million. The purchase consideration was settled through the issue of 13 693 000 ordinary shares of the Company to The Leto Settlement. The acquisition of Karo Mining represented a business and accordingly the Group accounted for the acquisition as a business combination in terms of IFRS 3.

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 30 March 2022 (acquisition date) and at 30 September 2022 (collectively referred to as 'Karo Group'):

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

The transaction cost relating to the acquisition was US$0.1 million which is classified as other operating expenses.

30. BUSINESS COMBINATION (continued)

Acquisition of Karo Mining Holdings plc (continued)

The following table summarises the fair value of the consolidated assets and liabilities of the Karo Group at the date of acquisition:

Assets	2022 Fair value recognised on acquisition US$'000
Property, plant and equipment	203 409
Inventories	2
Trade and other receivables	337
Cash and cash equivalents	4 984
	208 732
Liabilities	
Borrowings	(8 466)
Other financial liabilities	(17 879)
Deferred tax	(30 263)
Tax liability	(6)
Trade and other payables	(3 735)
	(60 349)
Total identifiable net assets at fair value	148 383
Non-controlling interest	(66 181)
Total attribuable net assets acquired	82 202
Consideration	
Book value of existing shareholding	(1 656)
Prepaid investment in Karo Platinum (Private) Limited (note 17)	(2 710)
Gain on acquisition: fair value of existing 28.38% shareholding	(33 503)
Gain on acquisition: purchase of shares at a discount	(14 888)
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 approximated their carrying amount due to the short-term nature thereof. The purchase of shares at a discount represented a bargain purchase on the acquisition (US$14.9 million). The non-controlling interest represents the proportionate share of the fair value of the net identifiable assets.

Subsequent to acquiring the controlling interest in Karo Mining, the Group increased its shareholding in Karo Mining by converting the loan receivable to ordinary shares and by subscribing to additional shares issued by Karo Mining (described in the following paragraphs). Refer to note 23 for the consequential decrease in the non-controlling interest in Karo Mining.

Effective 19 May 2022, the Company acquired the loan receivable from Arxo Finance plc (a wholly owned subsidiary of the Company) that was receivable from Karo Mining. The loan was converted to ordinary shares issued by Karo Mining. Karo Mining issued an additional 38 new ordinary shares to the Company as consideration. The loan payable (including accrued interest) amounted to US$8.5 million. The additional shares issued represented 1.21% of the issued share capital of Karo Mining which increased the Company's shareholding to 67.55%.

Effective 2 June 2022, Karo Mining issued an additional 44 new ordinary shares for a cash subscription of US$9.9 million to the Company. The additional shares issued represented 1.29% of the issued share capital of Karo Mining which increased the Company's shareholding to 68.84%.

Effective 10 August 2022, Karo Mining issued an additional 45 new ordinary shares for a cash subscription of US$10.2 million to the Company. The additional shares issued represented 1.22% of the issued share capital of Karo Mining which increased the Company's shareholding to 70.00%.

Effective 7 September 2022, Karo Mining issued an additional 44 051 new ordinary shares for a cash subscription of US$44 thousand to the Company and the non-controlling shareholder. The Company subscribed to 30 835 ordinary shares while the non-controlling shareholder subscribed to 13 216 ordinary shares. The shares were subscribed to according to the existing proportionate share of each shareholder. The cash subscription was not settled by the non-controlling shareholder as at 30 September 2022 and remains unpaid as at 30 September 2023.

30. BUSINESS COMBINATION (continued)

Effective 30 June 2023, Karo Mining issued an additional 3 800 new ordinary shares for a cash subscription of US$27.3 million to the Company. The additional shares issued represented 2.33% of the issued share capital of Karo Mining which increased the Company's shareholding to 72.33%.

Effective 31 July 2023, Karo Mining issued an additional 5 248 new ordinary shares for a cash subscription of US$37.7 million to the Company. The additional shares issued represented 2.68% of the issued share capital of Karo Mining which increased the Company's shareholding to 75.00%.

31. DIRECTORS INTEREST IN STATED CAPITAL

	2023 %	2022 %
LC Pouroulis	**0.41**	0.40
P Pouroulis	**2.69**	2.68
MG Jones	**0.24**	0.26
A Djakouris	**0.01**	0.01
C Bell	**0.02**	0.02
Total	**3.37**	3.37

Where a member of the Board of Directors holds no direct or indirect interest, the director is not reflected in the table above.

There has been no change in the Director's interests in the share capital of the Company between the end of the financial year and the date of the approval of the consolidated financial statements.

32. FINANCIAL RISK MANAGEMENT

Accounting policy: Financial instruments - classification
The Group classifies its financial instruments in the following categories:
- At fair value through profit or loss
- At fair value through other comprehensive income
- At amortised cost

The Group determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Group's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified at fair value through profit or loss, for other equity instruments, on the day of acquisition the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at fair value through other comprehensive income. Financial liabilities are measured at amortised cost, unless they are required to be measured at fair value through profit or loss (such as derivatives) or the Group has designated to measure them at fair value through profit or loss.

The following table presents the classification of the Group's financial instruments:

Financial assets	**Classification**
Other financial assets	
Investments in money markets, current accounts, cash funds and income funds	Fair value through profit or loss
PGM commodity hedging derivative	Fair value through profit or loss
PGM discount facility hedging derivative	Fair value through profit or loss
Investment in equity instruments	Fair value through profit or loss
Trade and other receivables	Amortised cost
PGM receivables and PGM discounting receivable	Fair value through profit or loss
Cash and cash equivalents	Amortised cost

Financial liabilities	**Classification**
Borrowings	Amortised cost
Option granted to NCI to call upon shares in Karo Platinum (Private) Limited	Fair value through profit or loss
PGM discount facility hedging derivative	Fair value through profit or loss
Forward exchange contracts	Fair value through profit or loss
Trade and other payables	Amortised cost

32. FINANCIAL RISK MANAGEMENT (continued)

In the ordinary course of business the Group is exposed to credit risk, liquidity risk, and market risk. This note presents information about the Group's exposure to each of the aforementioned risks and its objectives, policies and processes for measuring and managing risks. Further quantitative disclosures are included throughout this note.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade and other receivables, cash and cash equivalents and other financial assets.

Trade and other receivables
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country, in which customers operate, as these factors may have an influence on credit risk. In monitoring customer credit risk, management reviews on a regular basis the ageing of trade and other receivables to obtain comfort that there are no past due amounts without acceptable mitigating credit information available.

The Group establishes an allowance for credit losses that represents its estimate of expected credit losses in respect of trade and other receivables. The Group applies a simplified approach to measure the loss allowance for trade receivables, using the lifetime expected loss provision. The expected credit loss on trade receivables is estimated using a provision matrix by reference to past default experience and credit rating if available, adjusted as appropriate for current observable data.

The main component of the allowance for credit losses (if applicable) is a specific loss component that relates to individually significant exposures. As at 30 September 2023 and 30 September 2022, none of the carrying amounts of trade receivables that are past due, but not impaired require the recognition of an allowance for credit losses due to their insignificant exposure to credit risk. Receivables that were neither past due nor impaired relate to customers for whom there was no recent history of default and for whom no current observable adverse credit information is available.

The allowance for credit losses in respect of trade and other receivables is used to record credit losses unless management is satisfied that no recovery of the amount owing is possible and at that point the amount considered irrecoverable is written off against the financial asset directly.

The most significant exposure of the Group to credit risk is represented by the carrying amount of trade receivables. The Board of Directors performs regular ageing reviews of trade receivables to identify any doubtful balances. Based on the review performed for the reporting period, the Board of Directors concluded that no allowance for credit losses is required in respect of trade receivables due to their insignificant exposure to credit risk. 31.2% and 58.3% of the trade receivables were due from the Group's largest customer as at 30 September 2023 and 30 September 2022, respectively.

Cash and cash equivalents and long-term deposits
The Group limits its exposures on cash and cash equivalents by dealing only with well-established financial institutions of high-quality credit standing. The majority of the Group's cash resources were deposited with HSBC based in Hong Kong and South Africa, Bank of China in South Africa and Nedbank in South Africa.

Investments in money markets, current accounts, cash funds and income funds
The Group invests only in well-known reputable financial institutions. The majority of the investment in money markets, current accounts, cash funds and income funds are kept in cash at financial institutions of high credit quality standing.

The maximum exposure to credit risk at the reporting date of the consolidated financial statements was:	**2023 US$'000**	2022 US$'000
Financial assets	**6 040**	6 019
Restricted cash	**13 713**	-
Trade and other receivables	**103 741**	149 669
Contract assets	**1 876**	2 078
Cash and cash equivalents	**255 300**	143 300
	380 670	301 066

32. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. At 30 September 2023 the Group had undrawn banking facilities of US$70.3 million (ZAR1 330.3 million) (2022: US$31.2 million (ZAR564.5 million)) available (note 25).

Management is aware of the above risk. Liquidity risk is monitored on a regular basis and management is taking steps deemed necessary in an attempt to manage the corresponding risk. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, financial risk management may not be possible for instances where weakened commodity prices persist, forecast production not being achieved and further funding is not raised.

The following table presents the remaining contractual maturities of the Group's financial liabilities at the end of the reporting period, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

	Contractual undiscounted cash flow					
30 September 2023	**Within 1 year or on demand US$'000**	**More than 1 year but less than 2 years US$'000**	**More than 2 years but less than 5 years US$'000**	**More than 5 years US$'000**	**Total US$'000**	**Carrying amount US$'000**
Borrowings	**71 402**	**37 728**	**48 446**	**-**	**157 576**	**139 656**
Trade and other payables	**50 550**	**-**	**-**	**-**	**50 550**	**50 550**
	121 952	**37 728**	**48 446**	**-**	**208 126**	**190 206**
30 September 2022						
Borrowings	42 365	12 937	11 381	-	66 683	62 884
Other financial liabilities	526	-	-	-	526	526
Trade and other payables	43 453	-	-	-	43 453	43 453
	86 344	12 937	11 381	-	110 662	106 863

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income and the values of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's functional currency.

The Group is exposed to currency risk on transactions that are denominated in a currency other than the respective functional currency of the Group entities. These currency risk exposures arise primarily from exchange rate movements in ZAR, Euro ('€'), British Sterling ('GBP') and US$.

Management is aware of the above risk. Currency risk arising from currency fluctuations is monitored on a regular basis and management is taking steps deemed necessary in managing the corresponding risk. These steps may include to enter, from time to time, into forward exchange contracts within board-approval limits. Financial risk management may not be possible for instances where weakened commodity prices persist, forecast production not being achieved and further funding is not raised.

32. FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

The following table details the Group's exposure at the end of each reporting period to currency risk arising from recognised assets and liabilities denominated in a currency other than the functional currency of the entity to which they relate. Exposures in US$ relate to recognized assets and liabilities denominated in US$ of entities of the Group that have a functional currency other than US$. For presentation purposes, the amounts of the exposure are shown in US$, translated using the spot rate at the reporting date. The spot rates used at the reporting date against the US$ are a) US$:ZAR, 18.91 (2022: 18.07); b) US$:EUR, 0.94 (2022: 1.02) and c) US$:GBP, 0.82 (2022: 0.90). Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

The Group entered into a number of forward exchange contracts to hedge certain aspects of the foreign exchange risk associated to the conversion of the US$ to the ZAR and the EUR against the ZAR. The net exposure of these contracts was US$11.0 million (2022: US$8.5 million) with various expiries no later than 16 November 2023 (2022: no later than 27 October 2022).

At the reporting date the Group's exposure to currency risk was as follows:

	30 September 2023					30 September 2022			
Amounts in US$'000	**US$**	**ZAR**	**€**	**AUD**	**GBP**	US$	ZAR	€	GBP
Other financial assets	**13 713**	**-**	**48**	**-**	**-**	-	-	19	-
Trade and other receivables	**28 485**	**80**	**450**	**-**	**57**	133 214	27	157	19
Current taxation	**-**	**-**	**(682)**	**-**	**-**	-	-	(1 726)	-
Cash and cash equivalents	**65 329**	**429**	**246**	**-**	**45**	11 604	161	204	142
Borrowings	**(101 531)**	**-**	**(53)**	**(1 117)**	**-**	(26 890)	-	-	-
Other financial liabilities	**-**	**-**	**-**	**-**	**-**	(526)	-	-	-
Trade and other payables	**(103)**	**(4 606)**	**(1 651)**	**(7)**	**(258)**	(33)	(2 898)	(680)	(342)
	5 893	**(4 097)**	**(1 642)**	**(1 124)**	**(156)**	(117 369)	(2 710)	(2 026)	(181)

A 10.0% strengthening of the US$ against the above currencies at the reporting date would have changed profits and equity by the amounts presented below. This analysis assumes that all other variables, and in particular interest rates, remain constant. The analysis has been performed on the same basis for each reporting date.

	2023 (Decrease)/ increase/ in profit or loss and equity US$'000	2022 Increase/ (decrease) in profit or loss and equity US$'000
US$	**(655)**	7 717
ZAR	**455**	216
€	**183**	159
AUD	**125**	-
GBP	**17**	14

A 10.0% weakening of the US$ against the above currencies at each reporting date would have had an equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

32. FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk

Interest rate risk is the Group's exposure to adverse movements in interest rates. It arises as a result of timing differences on the repricing of assets and liabilities. Management is aware of the above risk. Interest rate risk is monitored on a regular basis and management is taking steps deemed necessary managing the corresponding risk. As at the reporting date, the interest rate profile of the Group was as follows:

	2023	2022	2023 US$'000	2022 US$'000
Variable rate financial assets				
Investments in money markets, current accounts, cash funds and income funds	**6.9% - 8.6%**	4.1% - 6.4%	**6 040**	6 019
Restricted cash	**3.8%**	-	**13 713**	-
Cash and cash equivalents	**0% - 8.2%**	0% - 6.73%	**255 300**	143 300
			275 053	149 319
Variable rate financial liabilities				
Commodity off-take financing	SOFR plus 3.6%	-	**77 703**	-
Equipment loan facility	1-month SOFR plus between 3.25% and 3.5%	1-month SOFR plus between 3.25% and 3.5%	**19 099**	23 699
Atrafin loan	6-month SOFR plus 2.25%	6-month US Libor plus 2%	**2 243**	2 955
Absa commercial asset finance	RSA prime less 1.15%	RSA prime less 1.15%	**5 508**	6 885
Wesbank revolving facility	RSA prime less between 0.65% and 1.15%	RSA prime less between 0.65% and 1.15%	**5 234**	1 404
Lease liabilities	5.9% - RSA prime + 3.75%	5.9% - RSA prime + 3.75%	**2 713**	3 579
Property loans	**-**	RSA prime	**-**	553
Bank credit facilities	**-**	1-month SOFR plus between 1.65% and 3.05%	**-**	23 809
			112 500	62 884

A change of 100 basis points in interest rates at each reporting date would have changed profits and equity by the amounts presented below. This analysis assumes that all other variables, and in particular foreign currency rates, remain constant. The analysis has been performed on the same basis for each reporting date.

	2023 Increase/ (decrease) in profit or loss and equity US$'000	2022 Increase/ (decrease) in profit or loss and equity US$'000
Investments in money markets, current accounts, cash funds and income funds	**498**	482
Restricted cash	**2**	-
Cash and cash equivalents	**1 535**	224
Commodity off-take financing	**(833)**	-
Equipment loan facility	**(200)**	(273)
Atrafin loan	**(24)**	(34)
Absa commercial asset finance	**(57)**	(79)
Wesbank revolving facility	**(54)**	(16)
Lease liabilities	**(29)**	(55)
Bank credit facilities	**-**	(208)
Property loans	**-**	(1)
	838	40

A decrease of 100 basis points in interest rates at each reporting date would have had an equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

32. FINANCIAL RISK MANAGEMENT (continued)

Fair values

The Board of Directors considers that the fair values of significant financial assets and financial liabilities approximate to 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 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.

Financial instrument	Fair value level	Fair value 2023 US$'000	Fair value 2022 US$'000	Valuation technique and key inputs
Financial assets measured at fair value				
Investments in money markets, current accounts, cash funds and income funds	Level 2	**6 040**	6 019	Quoted market price for similar instruments
PGM commodity hedging derivative	Level 2	**2 369**	-	Quoted market metal prices and exchange rate (refer below)
Forward exchange contracts	Level 2	**68**	189	Quoted market closing exchange rates
Investments in equity instruments	Level 1	**48**	19	Quoted market price
Trade and other receivables measured at fair value				
PGM receivables	Level 2	**27 900**	26 884	Quoted market metal prices and exchange rate (refer below)
PGM discounting receivable	Level 2	**-**	76 750	Quoted market metal prices and exchange rate (refer below)
Financial liabilities measured at fair value				
Option granted to NCI to call upon shares in Karo Platinum (Private) Limited	Level 3	**11**	16 779	Discounted cash flow valuation and a Monte Carlo Simulation model
PGM discount facility hedging derivative	Level 2	**-**	337	Quoted market metal prices and exchange rate
Forward exchange contracts	Level 2	**-**	189	Quoted market closing exchange rates

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

Refer to note 20 for the fair value recognised relating to the PGM discounting receivable.

32. FINANCIAL RISK MANAGEMENT (continued)

Fair value gains and losses recognised in the financial instruments during the year:	**2023 US$'000**	2022 US$'000
Changes in fair value of financial assets at fair value through profit or loss		
Investments in equity instruments	**29**	1
Investments in money markets, current accounts, cash funds and income funds	**367**	242
PGM commodity hedges derivative	**4 497**	-
Right to acquire shares in Karo Platinum (Private) Limited	**-**	(5 870)
Forward exchange contracts	**258**	-
	5 151	(5 627)
Changes in fair value of financial liabilities at fair value through profit or loss		
PGM discount facility hedging derivative	**59**	174
Option granted to NCI to call upon shares in Karo Platinum (Private) Limited	**16 768**	1 100
Forward exchange contracts	**-**	247
	16 827	1 521

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

Refer to notes 17 and 30. 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 net present value of Karo Platinum at 30 March 2022. The option represents a financial instrument which is recognised at fair value through profit or loss. At 30 September 2023, the Group completed a valuation of Karo Platinum which was independently reviewed. In determining the fair value, the discounted cash flow valuation technique was used. The following significant inputs were used in determining the fair value:

		2023	2022
PGM basket price (6E)	US$/oz	**1 565**	2 140
Base metal basket price	US$/t	**19 315**	15 099
Life of Mine	years	**11**	17
Annual throughput	kt	**215**	205
6E PGM grade per tonne feed	g/t	**3.0**	3.6
Annual production (6E)	koz	**211**	194
PGM recovery	%	**81% first three years, thereafter 83%**	78% first two years, thereafter 82%
WACC	%	**10.4%**	10.0%
Tax holiday	years	**First 5**	First 5

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 option value has been determined by averaging the discounted values between month 25 and 36 (the period in which the option can be exercised). The following significant inputs were used:

		2023	2022
Strike price:	Independently verified net present value of Karo Platinum as at 30 March 2022 using a discounted cash flow model	**US$71.8 million**	US$71.8 million
Valuation of 11.0% of Karo Platinum	Discounted cash flow model	**US$37.4 million**	US$59.5 million
Volatility:	Sector volatility (converted to monthly)	**4.4%**	4.4%
Drift:	Risk free rate (converted to monthly) based on the US risk free zero yield curve and includes a country risk premium for the operations being in Zimbabwe.	**1.3%**	1.5%
Time step:	Annual time intervals	**1.0**	1.0
Discount rate:	Converted to monthly	**0.87%**	0.83%

A sensitivity analysis was performed on the option value with the following results in the fair value of the option:

Sensitivity	**Option value US$'000**	**(Decrease)/increase in profit or loss and equity US$'000**	Option value US$'000	(Decrease)/increase in profit or loss and equity US$'000
Discount rate minus 5.0%	**14**	**(3)**	16 795	(16)
Discount plus 5.0%	**8**	**3**	16 763	16
Volatility minus 10.0%	**5**	**5**	16 299	480
Volatility plus 10.0%	**18**	**(6)**	17 296	(517)

32. FINANCIAL RISK MANAGEMENT (continued)

Estimation of fair values

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period.

The carrying value less impairment allowance of trade receivables and the carrying value of trade payables are assumed to approximate their fair values as the short term effect of discounting is not material. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

The carrying value of financial assets and liabilities at amortised cost approximates its fair value.

33. RELATED PARTY TRANSACTIONS AND BALANCES

Accounting policy

A party is considered to be related to the Group if:

- the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;
- the Group and the party are subject to common control;
- the party is an associate of the Group or a joint venture in which the Group is a venturer;
- the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such individual, or is an entity under the control, joint control or significant influence of such individuals;
- the party is a close family member of a party referred to in the first bullet point above or is an entity under the control, joint control or significant influence of such individuals; or
- the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the Group.

In the normal course of the business, the Group enters into various transactions with related parties. Related party transactions exist between shareholders, joint ventures, directors, directors of subsidiaries and key management personnel. Outstanding balances at the year-end are unsecured and settlement occurs in cash. All intergroup transactions have been eliminated on consolidation.

	2023 US$'000	2022 US$'000
Trade and other receivables (note 20)		
Rocasize Proprietary Limited	**112**	31
Salene Mining Proprietary Limited	**-**	13
The Leto Settlement	**-**	13
	112	57
Trade and other payables (note 27)		
Rocasize Proprietary Limited	**4**	-
Amounts due to Directors and former Directors		
A Djakouris	**12**	18
J Salter	**22**	21
O Kamal	**12**	13
C Bell	**22**	23
R Davey	**19**	20
Z Hong	**9**	9
S Lo Wai Man	**9**	9
	105	113
Total other payables	**109**	113

33. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

	2023 US$'000	2022 US$'000
Revenue		
Salene Manganese Proprietary Limited	-	1 035
Cost of sales		
Rocasize Proprietary Limited	528	541
Other income		
Rocasize Proprietary Limited	37	23
Consulting fees received		
Karo Mining Holdings plc (before acquisition)	-	6
Karo Platinum (Private) Limited (before acquisition)	-	188
Karo Power Generation (Private) Limited (before acquisition)	-	7
Karo Zimbabwe Holdings (Private) Limited (before acquisition)	-	28
Rocasize Proprietary Limited	-	8
Salene Manganese Proprietary Limited	-	45
Interest receivable		
Karo Mining Holdings plc (before acquisition)	-	112
Interest paid		
The Leto Settlement	-	13

Compensation to key management:

2023	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	637	-	-	-	-	637
Executive Directors	1 759	7	606	73	383	2 828
Other key management	1 738	17	187	65	406	2 413
	4 134	24	793	138	789	5 878
2022						
Non-Executive Directors	642	-	-	-	-	642
Executive Directors	1 712	8	828	76	319	2 943
Other key management	1 380	20	817	95	588	2 900
	3 734	28	1 645	171	907	6 485

Share-based awards to the Directors are disclosed in note 11. Details of each plan are disclosed in note 8. Awards to the key management in the period under review are as follows:

2023 Ordinary shares	Opening balance	Allocated	Vested	Forfeited	Total
LTIP	1 642 207	1 668 225	(64 498)	(257 994)	2 987 940

2022 Ordinary shares	Opening balance	Resignation	Allocated	Vested	Forfeited	Total
LTIP	695 276	145 650	1 319 717	(388 628)	(129 808)	1 642 207

33. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Relationships between parties:

Thari Resources Proprietary Limited
A former shareholder of Tharisa Minerals Proprietary Limited, refer to note 23.

The Tharisa Community Trust and Rocasize Proprietary Limited
The Tharisa Community Trust is a former shareholder of Tharisa Minerals Proprietary Limited, refer to note 23. The Tharisa Community Trust 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
Leto Settlement is the beneficial shareholder of Medway Developments Limited, a material shareholder in the Company.

Karo Mining Holdings plc, 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 plc before acquiring the controlling interest at 30 March 2022 (refer to note 30). Karo Mining Holdings Limited owns 100% of the issued share capital of Karo Zimbabwe Holdings (Private) Limited and Karo Power Generation (Private) Limited and 85% of the issued share capital of Karo Platinum (Private) Limited.

34. CONTINGENT LIABILITIES

As at 30 September 2023, there is no litigation (2022: no litigation), current or pending, which is considered likely to have a material adverse effect on the Group. Refer to note 35 for guarantees.

35. CAPITAL COMMITMENTS AND GUARANTEES

	2023 US$'000	2022 US$'000
Capital commitments		
Authorised and contracted	**156 219**	28 937
Authorised and not contracted	**1 490**	3 027
	157 709	31 964

The above 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 30 September 2023.

Guarantees

Karo Mining Holdings plc, a subsidiary of the Company, issued fixed income notes with a tenor of three years on 16 December 2022 listed on the Victoria Falls Stock Exchange to the value of US$26.4 million to external subscribers. The Company guarantees the capital repayment and interest of subscribers.

Tharisa Minerals Proprietary Limited entered into an equipment loan facility of US$35.0 million (2022: US$35.0 million) with Caterpillar Financial Services Corporation. The equipment loan facility is secured by a first notarial bond over the equipment and is guaranteed by the Company.

The Company guarantees US$15.9 million (ZAR300.0 million) (2022: US$16.6 million (ZAR300.0 million)) to Absa Bank Limited in respect of the Commercial Asset Finance and overdraft facilities of Tharisa Minerals Proprietary Limited.

The Company guarantees a total of US$8.1 million (ZAR153 million) (2022: US$8.5 million (ZAR153 million)) to third party suppliers of Tharisa Minerals Proprietary Limited. In addition, Tharisa Minerals Proprietary Limited has issued guarantees to third party suppliers amounting to US$4.0 million (ZAR75.9 million) (2022: US$4.2 million (ZAR75.9 million)).

An insurance company has provided a guarantee to the Department of Mineral Resources and Energy to satisfy the legal requirements with respect to environmental rehabilitation and the Group has pledged as collateral its investments in interest-bearing instruments to the insurance company to support this guarantee. The total value of the guarantee is US$22.1 million (ZAR418.9 million) (2022: US$18.7 million (ZAR337.5 million)).

35. CAPITAL COMMITMENTS AND GUARANTEES (continued)

The Company issued a guarantee to Absa Bank Limited which guarantees the payment of certain liabilities of Arxo Logistics Proprietary Limited to Transnet totalling US$1.0 million (ZAR19.4 million) (2022: US$1.1 million (ZAR19.4 million)).

The Company issued guarantees limited to US$10.0 million (2022: US$20.0 million) as securities for trade finance facilities provided by two banks to Arxo Resources Limited.

A guarantee was issued to Lombard Insurance Company Limited which guarantees the payment of certain liabilities of Arxo Logistics Proprietary Limited to Transnet totalling US$0.7 million (ZAR12.0 million) (2022: US$0.7 million (ZAR12.0 million)).

The Company and Arxo Metals Proprietary Limited jointly indemnify a third party for any claims which may result from negligence or breach in terms of the plant operating agreement between Arxo Metals Proprietary Limited and the third party.

36. EVENTS AFTER THE REPORTING PERIOD

Accounting policies: Events after the reporting period
Assets and liabilities are adjusted for events that occurred during the period from the reporting date to the date of approval of the financial statements by the Board of Directors, when these events provide additional information for the valuation of amounts relating to events existing at the reporting date or imply that the going concern concept in relation to part or whole of the Group is not appropriate.

On 12 December 2023, the Board has proposed a final dividend of US 2 cents per share, subject to the necessary shareholder approval at the Annual General Meeting.

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.

37. DIVIDENDS

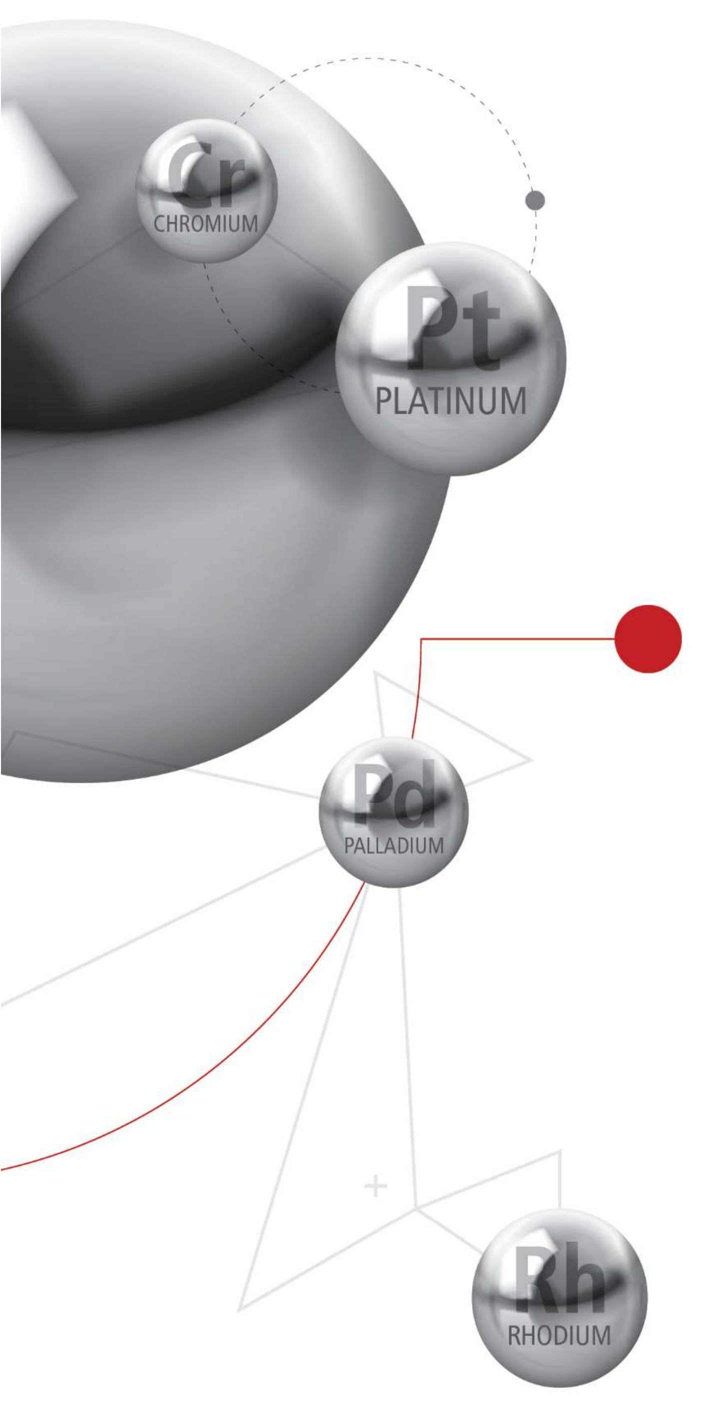
Accounting policy: Dividends
Dividends are recognised as a liability in the period they are declared according to IAS 10.

During the period ended 30 September 2023, the Company declared and paid a final dividend of US 4.0 cents per share in respect of the financial year ended 30 September 2022. In addition, an interim dividend of US 3.0 cents per share was declared and paid in respect of the financial year ended 30 September 2023.

During the period ended 30 September 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. In addition, an interim dividend of US 3.0 cents per share was declared and paid in respect of the financial year ended 30 September 2022.

During the year ended 30 September 2022, a subsidiary of the Company, Tharisa Minerals Proprietary Limited, declared and paid an ordinary dividend of US$2.7 million. The dividend paid to non-controlling shareholders amounted to US0.2 million.

A subsidiary of the Company, Arxo Logistics Proprietary Limited, declared an ordinary dividend of US$1.0 million during the year ended 30 September 2022.



tharisa

COMPANY FINANCIAL STATEMENTS

30 September 2023

enriching lives through innovating the resources company of the future

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 September 2023

	Notes	**2023 US$'000**	2022 US$'000
Revenue	5	**41 249**	21 556
Dividend income		**25 000**	10 021
Interest revenue		**16 249**	11 535
Foreign exchange loss		**(30)**	(912)
Operating expenses	7	**(6 432)**	(17 434)
Expected credit losses	19	**(5 955)**	-
Operating profit		**28 832**	3 210
Finance income	8	**28**	73
Finance costs	9	**(1)**	(9)
Changes in fair value of financial assets at fair value through profit or loss	19	**(1 418)**	(5 869)
Profit/(loss) before tax		**27 441**	(2 595)
Tax	10	**(811)**	(732)
Profit/(loss) for the year		**26 630**	(3 327)
Other comprehensive income			
Items that may not be classified subsequently to profit or loss		**-**	-
Items that may be classified subsequently to profit or loss		**-**	-
Other comprehensive income		**-**	-
Total comprehensive income/(loss) for the year		**26 630**	(3 327)

The notes on pages 99 to 125 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

as at 30 September 2023

	Notes	**2023 US$'000**	2022 US$'000
Assets			
Non-current assets			
Investment in subsidiaries	11	**334 201**	401 050
Financial and other assets	12	**3 875**	2 589
Total non-current assets		**338 076**	403 639
Current assets			
Financial and other assets	12	**40 297**	629
Other receivables	13	**4 668**	4 595
Cash and cash equivalents	14	**40 442**	2 429
Total current assets		**85 407**	7 653
Total assets		**423 483**	411 292
Equity and liabilities			
Share capital and premium	15	**346 293**	345 897
Other reserve	15	**47 245**	47 245
Retained earnings	15	**22 649**	15 611
Total equity		**416 187**	408 753
Non-current liabilities			
Deferred taxation	16	**166**	124
Current liabilities			
Financial and other liabilities	17	**7 025**	2 352
Current taxation	10	**105**	63
Total current liabilities		**7 130**	2 415
Total liabilities		**7 296**	2 539
Total equity and liabilities		**423 483**	411 292

The financial statements were authorised for issue by the Board of Directors on 12 December 2023.

Phoevos Pouroulis
Director

Michael Jones
Director

The notes on pages 99 to 125 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2023

	Note	Share capital US$'000	Share premium US$'000	Other reserve US$'000	Retained earnings US$'000	Total equity US$'000
Balance at 1 October 2021		271	289 547	47 245	43 720	380 783
Total comprehensive income for the year						
Loss for the year		-	-	-	(3 327)	(3 327)
Total comprehensive loss for the year		-	-	-	(3 327)	(3 327)
Transactions with owners of the Company						
Contributions by and distributions to owners						
Issue of ordinary shares	15	29	56 050	-	-	56 079
Dividends paid	23	-	-	-	(23 106)	(23 106)
Equity-settled share-based payments	15	-	-	-	(1 676)	(1 676)
Contributions by and distributions to owners of the Company		29	56 050	-	(24 782)	31 297
Total transactions with owners of the Company		29	56 050	-	(24 782)	31 297
Balance at 30 September 2022		300	345 597	47 245	15 611	408 753
Total comprehensive income for the year						
Profit for the year		**-**	**-**	**-**	**26 630**	**26 630**
Total comprehensive income for the year		**-**	**-**	**-**	**26 630**	**26 630**
Transactions with owners of the Company						
Contributions by and distributions to owners						
Issue of ordinary shares	15	**-**	**396**	**-**	**-**	**396**
Dividends paid	23	**-**	**-**	**-**	**(20 990)**	**(20 990)**
Equity-settled share-based payments	15	**-**	**-**	**-**	**1 398**	**1 398**
Contributions by and distributions to owners of the Company		**-**	**396**	**-**	**(19 592)**	**(19 196)**
Total transactions with owners of the Company		**-**	**396**	**-**	**(19 592)**	**(19 196)**
Balance at 30 September 2023		**300**	**345 993**	**47 245**	**22 649**	**416 187**

Companies, which do not distribute 70% of their profits after tax, as defined by the relevant tax law in Cyprus, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31 December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 December of the second year for the year the profits relate. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, from 2019 General Healthcare System contribution at a rate of 1,7% - 2,65%, when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

The notes on pages 99 to 125 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

for the year ended 30 September 2023

	Notes	**2023 US$'000**	2022 US$'000
Cash flows from operating activities			
Profit/(loss) for the year		**26 630**	(3 327)
Adjustments for:			
Impairment losses	7	**1 000**	10 399
Expected credit losses	19	**5 955**	-
Changes in fair value of financial assets at fair value through profit or loss	19	**1 418**	5 869
Dividend income and interest revenue	5	**(41 249)**	(21 556)
Finance income	8	**(28)**	(73)
Finance costs	9	**1**	9
Foreign exchange loss		**30**	912
Tax	10	**811**	732
Equity-settled share-based payments	7	**23**	21
		(5 409)	(7 014)
Changes in:			
Other receivables		**(350)**	332
Financial and other liabilities		**(837)**	(463)
Cash flows used in operations		**(6 596)**	(7 145)
Dividends received	20	**25 905**	11 650
Interest revenue received	20	**13 150**	47 765
Income tax paid	10	**(727)**	(2 655)
Net cash flows generated from operating activities		**31 732**	49 615
Cash flows from investing activities			
Additions to investment in subsidiaries and increase in investment in preference shares	11	**(68 335)**	(28 849)
Redemption of unlisted preference shares	11	**95 246**	-
Additions to investments joint venture	11	**-**	(4 965)
Additions to financial and other assets	12	**-**	(9 003)
Repayment of financial and other assets	12	**445**	1 122
Interest received	8	**28**	5
Net cash flows generated from/(used) in investing activities		**27 384**	(41 690)
Cash flows from financing activities			
Dividends paid	23	**(20 990)**	(23 106)
Interest paid	9	**(1)**	(9)
Net cash flows used in financing activities		**(20 991)**	(23 115)
Net increase/(decrease) in cash and cash equivalents		**38 125**	(15 190)
Cash and cash equivalents at the beginning of the year		**2 429**	17 619
Effect of exchange rate fluctuations on cash held		**(112)**	-
Cash and cash equivalents at the end of the year	14	**40 442**	2 429

The notes on pages 99 to 125 are an integral part of these financial statements.

1. INCORPORATION AND PRINCIPAL ACTIVITIES

Tharisa plc (the 'Company') was incorporated in Cyprus on 20 February 2008 under registration number HE223412 as a private limited liability company under the Cyprus Companies Law, Cap. 113. The Company was converted to a public company and accordingly the name of the Company was changed from Tharisa Limited to Tharisa plc on 19 January 2012. The registered office is at Sofoklis Pittokopitis Business Centre, Office 108-110, 17 Neophytou Nicolaides & Kilkis Street, 8011, Paphos, Cyprus. On 10 April 2014, the Company listed its ordinary share capital on the main board of the Johannesburg Stock Exchange ('JSE') as its primary listing. On 8 June 2016 the Company listed its ordinary share capital as a secondary standard listing on the main board of the London Stock Exchange ('LSE'). On 6 February 2019 the Company listed its ordinary share capital as a secondary listing on the A2X Exchange in South Africa.

The principal activity of the Company is that of an investment holding company with controlling interests mainly in PGM and chrome development stage mining projects and the subsequent PGM and chrome mining and processing operations and associated sales and logistics operations.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these annual financial statements are set out below. Where an accounting policy is specific to a note, the policy is described in the note which it relates to. These policies have consistently been applied to all the years presented.

2.1. BASIS OF PREPARATION

Statement of compliance
The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRSs'), the Listings Requirements of the Johannesburg Stock Exchange and the requirements of the Cyprus Companies Law, Cap. 113. IFRS comprises the standards issued by the International Accounting Standards Board ('IASB') and IFRS Interpretation Committee ('IFRIC') as issued by the IASB. Statutory financial statements of the Company were additionally prepared in accordance with IFRS as adopted by the EU and the requirements of the Cyprus Companies Law, Cap. 113. These have been approved and issued on the same date and there are no differences in the two sets of financial statements prepared. These financial statements are the separate financial statements of the Company.

The Company has also prepared consolidated financial statements in accordance with IFRSs for the Company and its subsidiaries ('the Group'). The consolidated financial statements can be obtained from Sofoklis Pittokopitis Business Centre, Office 108-110, 17 Neophytou Nicolaides & Kilkis Street, 8011, Paphos, Cyprus.

Users of these separate financial statements of the Company should read them together with the Group's consolidated financial statements as at and for the year ended 30 September 2023 in order to obtain a proper understanding of the financial position, the financial performance and the cash flows of the Company and its subsidiaries.

Basis of measurement
The financial statements are prepared on the historical cost basis, except as otherwise stated in the accounting policies set out in each note.

Functional and presentation currency
The financial statements are presented in United States Dollars ('US$') which is the functional and presentation currency of the Company.

Going concern
After making enquiries which include reviews of current cash resources, forecasts and budgets, timing of cash flows, borrowing facilities and sensitivity analyses and considering the associated uncertainties to the Company's operations, the Directors have a reasonable expectation that the Company has adequate financial resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements which assumes that the Company will be able to meet its liabilities as they fall due for the foreseeable future.

Refer to note 19 for statements on the Company's objectives, policies and processes for managing its capital, details of its financial instruments, its exposures to market risk in relation to commodity prices and foreign exchange risks, interest rate risk, credit risk, and liquidity risk.

Foreign currency translation
Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Foreign currency gains and losses are reported on a net basis.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1. STANDARDS AND INTERPRETATIONS ADOPTED IN THE CURRENT YEAR

The Company has adopted the following new and/or revised standards and interpretations which became effective for the year ended 30 September 2023 for which the nature and effect of the changes as a result of the adoption of these new accounting standards are described below:

Annual Improvements to IFRS Standards 2018-2020

As part of its process to make non-urgent but necessary amendments to IFRS Standards, the IASB has issued the Annual Improvements to IFRS Standards 2018–2020. The amendment applicable to the Company relates to IFRS 9 and clarifies which fees should be included in the 10% test for derecognition of financial liabilities. The amendment has been applied prospectively and had no impact on the Company's results for the year ended 30 September 2023.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g. the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g. depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments apply to contracts for which an entity has not yet fulfilled all of its obligations at the beginning of the current financial year. The adoption of these amendments had no impact on the Company's results for the year ended 30 September 2023.

Reference to the Conceptual Framework – Amendments to IFRS 3

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. These amendments had no impact on the Company's results for the year ended 30 September 2023.

2.2. 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 these new standards, interpretations and amendments become effective. The Company notes the new standards, amendments and interpretations which have been issued but not yet effective and does not plan to early adopt any of the standards, amendments and interpretations. There are no other standards that are not yet effective and that would be expected to have a material impact on the Company in the current or future reporting periods.

Classification of Liabilities as Current or Non-current and non-current liabilities with covenants - Amendments to IAS 1

The International Accounting Standards Board (IASB) issued Classification of Liabilities as Current or Non-current and non-Current liabilities with Covenants, which amends IAS 1 Presentation of Financial Statements. The amendments affect requirements in IAS 1 for the classification of liabilities as current or non-current. The amendments clarify what is meant by a right to defer settlement, that a right to defer settlement must exist at the end of the reporting period, the classification is unaffected by the likelihood that an entity will exercise its deferral right, that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification, as well as the required disclosures in this regard. The amendment must be applied retrospectively and is effective for annual periods beginning on or after 1 January 2024. These amendments is not expected to have a material impact on the Group.

Disclosure of Accounting Policies – Amendments to IAS 1

To assist preparers of financial statements, the IASB had previously refined its definition of 'material' (effective 1 January 2020) and issued non-mandatory practical guidance on applying the concept of materiality. As the final step of the materiality improvements, the IASB issued amendments on the application of materiality to the disclosure of accounting policies. The key amendments include requirements for entities to disclose their material accounting policies rather than their significant accounting policies as well as certain clarifications regarding accounting policies related to material transactions or events. The amendment must be applied prospectively and is effective for annual periods beginning on or after 1 January 2023. This amendment is not expected to have a material impact on the Company.

International Tax Reform – Pillar Two Model Rules - Amendments to IAS 12

In May 2023, the IASB issued amendments to IAS 12, which introduce a mandatory exception in IAS 12 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development, including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively. The amendments require an entity to disclose that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. An entity is required to separately disclose its current tax expense (income) related to Pillar Two income taxes, in the periods when the legislation is effective. The disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2023 The Company is currently assessing the impact of these amendments.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2. STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (continued)

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

In May 2021, the IASB issued amendments to IAS 12 Income Taxes which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a decommissioning asset and decommissioning liability (or lease asset or lease liability) give rise to taxable and deductible temporary differences that are not equal.

An entity should apply the amendments to transactions that occur on or after the beginning of the earliest comparative period presented and is effective for annual periods beginning on or after 1 January 2023.The amendment is not expected to have a material impact on the Company.

Definition of Accounting Estimate – Amendments to IAS 8

The IASB has issued amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (IAS 8) to clarify how entities should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. This is due to the term "accounting estimate" not being defined and the previous definition of a "change in accounting estimate" being unclear.

The amendments introduce a new definition for accounting estimates, clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendment must be applied prospectively and is effective for annual periods beginning on or after 1 January 2023. This amendment is not expected to have a material impact on the Group.

3. USE OF JUDGEMENTS AND ESTIMATES

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements and estimates made by management in the application of IFRS that have a significant effect on the financial statements and major sources of estimation uncertainty are disclosed in each note it relates to.

4. SHARE-BASED PAYMENTS

Accounting policy

Equity settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity settled share-based payment is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in the equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The amount recognized as an expense is adjusted to reflect the revision of the original estimate.

Where the Company has the right to elect settlement either equity settled or cash settled, the share-based payment transactions will be treated as equity settled share-based payments.

Conditional awards (‘LTIP’) is the grant of shares in the Company where the risks and rewards of share ownership will vest on specific vesting dates with the employee subject to certain conditions. LTIPs vested in three equal tranches for the 2019 and 2020 Awards and will vest at the third anniversary of the grant for the 2021 and 2022 Awards. The award, on vesting, may at the election of the Company, be either cash-settled or share-settled as provided for in the rules of the Plan.

Appreciation rights (‘SARS’) is the grant of an award by the Company where the employee is, subject to certain conditions, entitled to receive the increase in the share value above the award price. The awards may be exercised at any time up to five years from the date of the grant. The appreciation in value may, at the election of the Company, be either cash settled or share settled as provided for in the rules of the Plan. No SARS were issued during the years ended 30 September 2023 and 30 September 2022.

4. SHARE-BASED PAYMENTS (continued)

At 30 September 2023, the Group had the following share-based payment arrangements:

2019 Award – third tranche
The sixth award was made on 30 June 2019, comprising LTIPs and SARS. The third (final) tranche vested at 30 June 2022 for LTIPs while the second (final) tranche for SARS vested at 30 June 2021. The final tranche for SARS will expire at 30 June 2024.The vesting of these awards was subject to the following performance conditions and subject to there being no fatality during the vesting periods:

- 33.3% of each tranche of the LTIP and the SARS was subjected to continuing employment in good standing (as determined by the Remuneration Committee) during the applicable vesting period.
- 16.67% of each tranche of the LTIP and SARS was subjected to the production of a minimum of 177.6 koz of PGMs during the first twelve month period, second twelve month period or third twelve month period, respectively (in the case of the SARS the 1st twelve month period or 2nd twelve month period, respectively). However 8.34% of each such tranche of the LTIP and SARS would have vested if the production during the applicable twelve month period was below 177.6 koz of PGMs but above 168.7 koz of PGMs. The award would have been forfeited if production in any applicable twelve month was below 168.7 koz of PGMs.
- 16.67% of each tranche of the LTIP and SARS was subjected to the production of a minimum of 1.57 Mt of chrome concentrates during the first twelve month period, second twelve month period or third twelve month period, respectively (in the case of the SARS the 1st twelve month period or 2nd twelve month period, respectively). However 8.34% of each such tranche of the LTIP and SARS would have vested if the production during the applicable twelve month period was below 1.57 Mt of chrome concentrates but above 1.49 Mt of chrome concentrates. The award would have been forfeited if production in any applicable twelve month was below 1.49 Mt of chrome concentrates.
- 33.3% of each tranche of the LTIP and SARS was subjected to the Earnings Before Interest, Tax, Depreciation and Amortization (‘EBITDA’) of the Tharisa Group at least meeting the board approved budget for the twelve month period commencing on 1 July and ending the following year on 30 June, with the EBITDA being adjusted for the actual commodity selling prices and exchange rate (US$:ZAR). However, 16.66% of each tranche of the LTIP and SARS would have vested if the applicable EBITDA was below the budgeted EBITDA (as recalculated) but equal to or above 95% of the budgeted EBITDA (as recalculated). The award would have been forfeited if EBITDA in the applicable twelve month period was below 95% of the budgeted EBITDA (as adjusted).

2020 Award – third tranche
The seventh award was made on 30 June 2020, comprising LTIPs only and the third (final) tranche vested at 30 June 2023. The vesting of these awards was subject to the following performance conditions and subject to there being no fatality during the vesting periods and continued employment in good standing:

- 40% of the vesting will be subject to achieving at least the market guidance for PGM production as publicly disclosed and referenced to the commencement of the respective financial reporting period (it being noted that the vesting period and financial year are not coterminous);
- 40% of the vesting will be subject to achieving at least the market guidance for chrome concentrate production as publicly disclosed and referenced to the commencement of the respective financial reporting period (it being noted that the vesting period and financial year are not coterminous), adjusted to exclude the production from the Vulcan Plant;
- 20% of the vesting will be subject to achieving at least 90% of the Vulcan Plant’s nameplate production capacity of 480 kt of in-spec chrome concentrate production.

2021 Award
The eight award was made on 8 December 2021 comprising LTIPs only with the measurement period being aligned to the Group’s financial year-end of 30 September. This award will vest on the third anniversary of the grant, being 8 December 2024.The three-year vesting period is divided into three annual measurement periods at 30 September, the result of each being aggregated at the end of the vesting period to determine the final vesting percentage. The vesting of these awards is subject to continued employment in good standing and the following performance conditions:

- 33.33% of the vesting will be subject to achieving at least the market guidance for PGM production as publicly disclosed and referenced to the commencement of the respective financial reporting period.
- 33.33% of the vesting will be subject to achieving at least the market guidance for chrome concentrate production as publicly disclosed and referenced to the commencement of the respective financial reporting period.
- 33.34% of the vesting will be subject to achieving certain strategic measures. All three interim measurement periods will be based on an equal allocation to:
    - Return on invested capital exceeding the weighted average cost of capital of the Group.
    - Performance against the ESG Plan.
    - Tracking on achievement of Vision 2025.

The award will be reduced in each annual measurement period by one-third for each fatality that occurred during that measurement period. For avoidance of doubt, if any performance condition is not met in any annual measurement period and consequently is forfeited (either wholly or partially) as a result of failure to achieve the performance condition, but the performance condition is achieved in subsequent measurement periods the award will vest for that period as provided.

4. SHARE-BASED PAYMENTS (continued)

2022 Award

The ninth award was made on 16 January 2023 comprising LTIPs only with the measurement period being aligned to the Group's financial year-end of 30 September. This award will vest on the third anniversary of the grant, being 15 January 2026.The three-year vesting period is divided into three annual measurement periods at 30 September, the result of each being aggregated at the end of the vesting period to determine the final vesting percentage. The vesting of these awards is subject to continued employment in good standing and the following performance conditions:

- 20.00% of the vesting will be subject to achieving at least the market guidance for PGM production as publicly disclosed and referenced to the commencement of the respective financial reporting period.
- 20.00% of the vesting will be subject to achieving at least the market guidance for chrome concentrate production as publicly disclosed and referenced to the commencement of the respective financial reporting period.
- 20.00% of the vesting will be subject to achieving certain of the Karo Platinum Project deliverables.
- 20.00% of the vesting will be subject to the three-year rolling average return on invested capital exceeding the three-year rolling weighted average cost of capital.
- 10.00% of the vesting will be subject to the performance against the environmental plan to reduce carbon emissions by 30% by 2030.
- 10.00% of the vesting will be subject to achieving the Group's vision 2025.

For avoidance of doubt, if any performance condition is not met in any annual measurement period and consequently is forfeited (either wholly or partially) as a result of failure to achieve the performance condition, but the performance condition is achieved in subsequent measurement periods the award will vest for that period as provided.

The awards are subject to the rules governing the Plan and the final discretion of the Tharisa plc Remuneration Committee will prevail should there be any discrepancy.

LTIP valuation of share award at grant date:	**First measurement period/ tranche**	**Second measurement period/ tranche**	**Third measurement period/ tranche**
2019 sixth Award	ZAR20.34	ZAR19.48	ZAR18.49
2020 seventh Award	ZAR11.65	ZAR10.67	ZAR9.66
2021 eighth Award	ZAR23.83	ZAR23.83	ZAR23.83
2022 nineth Award	ZAR15.73	ZAR15.73	ZAR15.73

A reconciliation of the movement in the Group's LTIP in the period under review is as follows:

	Opening balance	**Allocated**	**Vested**	**Forfeited**	**Total**
LTIP 2023 Ordinary shares	**6 989 475**	**7 210 076**	**(287 476)**	**(1 933 704)**	**11 978 371**
LTIP 2022 Ordinary shares	4 272 742	5 431 124	(1 861 133)	(853 258)	6 989 475

An expense of US$23 thousand (2022: US$21 thousand) was recognised in profit or loss. The fair value at grant date of the LTIP awards was determined by present valuing the share price on grant date less the expected dividends. The following inputs were used for LTIP 2022 and LTIP 2021 issued during the years ended 30 September 2023 and 30 September 2022:

	LTIP 2022 ninth Award	LTIP 2021 eighth Award
Spot price	**ZAR20.10**	ZAR27.00
Dividend yield[1]	**8.18%**	4.16%
The risk-free interest rate (swap yield curve)[2]	**7.35%**	5.76%
Forfeiture assumption[3]	**5.00%**	10.63%

[1]The dividend yield was calculated by using forecast dividends which were estimated using a combination of broker consensus forecasts, historical dividend data, and the Company's view of the future dividends.

[2]The swap yield curve was independently constructed using a bootstrapping methodology together with a combination of traded money-market, FRA and swap rate inputs.

[3]This adjustment is made with reference to the percentage of employees that are not expected to fulfil the non-market or service based vesting conditions prior to the vesting dates, taking into account the forfeiture assumption based on participants' employee turnover history.

4. SHARE-BASED PAYMENTS (continued)

SARS

No SARS were issued during the years ended 30 September 2023 and 30 September 2022 and consequently no expense was recognised during these periods. In terms of previous awards, employees may exercise the SARS within five years from the grant date. Number of SARS vested, not yet exercised:

Award date	Expiry date	2023	2022
30 June 2018 – fifth Award	30 June 2023	**-**	617 852
30 June 2019 – sixth Award	30 June 2024	**1 193 009**	1 305 071
Number of share options exercised during the year		**729 914**	2 397 593
Weighted average share price of options exercised during the year		**ZAR21.87**	ZAR27.76

Judgements and estimates

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by present valuing the share price on grant date less the expected dividends and by using a Binomial Tree model, using the aforementioned assumptions.

5. REVENUE

Accounting policy

Revenue comprises dividend income received from subsidiaries. Dividend income is recognised on the date that the Company's right to receive payment is established.

Revenue also comprises of interest revenue recognised and measured on the effective interest rate method, as well as the unwinding of notional interest on financial assets classified and measured at fair value through profit or loss. The interest revenue is recognised when it accrues to the Company.

	2023 US$'000	2022 US$'000
Dividend income (note 20)	**25 000**	12 671
Interest revenue (note 20)	**16 249**	8 885
	41 249	21 556

The interest revenue on the effective interest rate method of US$14.0 million (2022: US$8.9 million) represents the accrued preference share dividends relating to the preference share investment that forms part of the net investment in Tharisa Minerals (Proprietary) Limited, a subsidiary of the Company. The interest revenue also includes the unwinding of notional interest of US$2.2 million (2022: US$ no interest) relating to the preference share investment that forms part of the net investment in Arxo Finance plc, a subsidiary of the Company. Refer to note 11.

6. DIRECTORS REMUNERATION

Accounting policy: employee short term benefits

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months from the reporting date are calculated at undiscounted amounts based on remuneration rates that the Company expects to pay as at the reporting date including related costs, such as workers compensation insurance and payroll tax. Non-accumulating monetary benefits such as medical aid contributions are expensed as the benefits are taken by the employees.

Directors' share awards

Details of each plan are disclosed in note 4. Non-Executive Directors are not entitled to participate in the Group's share award plan. The number of LTIP awarded to the Executive Director by the Company, are set out in the following tables:

LTIP 2023 Ordinary shares	Opening balance	Allocated	Vested	Forfeited	Total
LC Pouroulis	**82 072**	**68 702**	**(3 552)**	**(14 205)**	**133 017**
LTIP 2022 Ordinary shares					
LC Pouroulis	45 461	64 315	(20 837)	(6 867)	82 072

6. DIRECTORS REMUNERATION (continued)

The remuneration of the Directors is set out in the following table:

	2023					2022				
	Directors' fees US$'000	**Salary US$'000**	**Bonus US$'000**	**Share-based payment US$'000**	**Total US$'000**	Directors' fees US$'000	Salary US$'000	Bonus US$'000	Share-based payment US$'000	Total US$'000
Paid by the Company:										
Executive										
LC Pouroulis	**-**	**68**	**15**	**23**	**106**	-	69	10	21	100
Non-executive										
JD Salter	**122**	**-**	**-**	**-**	**122**	122	-	-	-	122
A Djakouris	**104**	**-**	**-**	**-**	**104**	103	-	-	-	103
OM Kamal	**60**	**-**	**-**	**-**	**60**	60	-	-	-	60
C Bell	**122**	**-**	**-**	**-**	**122**	122	-	-	-	122
R Davey	**104**	**-**	**-**	**-**	**104**	104	-	-	-	104
SWM Lo	**42**	**-**	**-**	**-**	**42**	42	-	-	-	42
ZL Hong*	**42**	**-**	**-**	**-**	**42**	42	-	-	-	42
Total	**596**	**68**	**15**	**23**	**702**	595	69	10	21	695

* Resigned on 30 September 2023

7. OPERATING EXPENSES

Accounting policy
Refer to note 6 for the accounting policy relating to employee benefits. Other operating expenses are recognised as incurred by the Company and are measured at undiscounted amounts based on the value that the Company expects to pay as at the reporting date.

	2023 US$'000	2022 US$'000
Directors' remuneration (note 6)	**679**	674
Equity-settled share-based payments	**23**	21
	702	695
Business development	**179**	50
Statutory audit services	**319**	293
Consulting and professional	**364**	602
Administration (note 20)	**2 966**	4 320
Impairment losses (note 11)	**1 000**	10 399
Listing fees	**455**	730
Travelling	**177**	105
Sundry expenses	**270**	240
	6 432	17 434

8. FINANCE INCOME

Accounting policy
Finance income comprises interest income on funds invested. Interest income is recognised as it accrues using the effective interest rate method.

	2023 US$'000	2022 US$'000
Amortisation of intergroup receivable	**-**	68
Interest income	**28**	5
Finance income	**28**	73

9. FINANCE COSTS

Accounting policy
Finance costs are recognised in profit or loss as it accrues using the effective interest rate method.

	2023 US$'000	2022 US$'000
Interest paid: banks	**1**	-
Interest paid: Cyprus Revenue Authority	**-**	9
	1	9

10. TAX

Accounting policy
Income tax comprises current and deferred taxes. Income tax is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Apart from certain limited exceptions, all deferred tax assets, to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward.

The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Company controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but which they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is established.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

10. TAX (continued)

	2023 US$'000	2022 US$'000
Current tax		
Corporation tax – current year	**111**	103
Special contribution to the defence fund – current year	**-**	1
Dividend withholding tax	**658**	2 572
	769	2 676
Deferred tax		
Dividend withholding tax (note 16)	**42**	(1 944)
	811	732

Income tax comprises current tax/corporation tax, deferred tax, dividend withholding tax and special contribution for defence. Corporation tax is provided at the rate of 12.5% (2022: 12.5%), dividend withholding tax relating to foreign dividends received at 5.0% and deferred tax at the rate the temporary difference relates to. Special contribution for defence is provided on passive interest at the rate of 30%. 100% of passive interest income is disallowed in the computation of chargeable income for corporation tax purposes (2022: 100%).

Tax reconciliation	2023 US$'000	2022 US$'000
Profit/(loss) before tax	**27 441**	(2 595)
Tax calculated at 12.5% (2022: 12.5%)	**3 430**	(324)
Tax effect of allowances and income not subject to tax	**(5 160)**	(1 970)
Tax effect of expenses not deductible for tax purposes	**1 717**	2 293
Prior year under provision: tax on notional interest	**-**	104
Current tax - dividend withholding tax	**658**	2 572
Special contribution to the defence fund	**-**	1
Recognition of deemed interest income for tax purposes	**124**	-
Deferred tax: dividend withholding tax (note 16)*	**42**	(1 944)
Tax charge*	**811**	732

Dividend withholding tax arose on ordinary and preference dividends declared and paid by South African subsidiaries to the Company (refer to notes 11 and 16). Dividend withholding tax is calculated at a tax rate of 5.0% in terms of the Double Taxation Agreement between Cyprus and South Africa.

* The tax reconciliation for the prior year only reconciled to the current tax element of the income tax expense of US$2.7 million as it excluded the deferred tax element of (US$1.9 million), represented by the dividend withholding tax raised on accrued dividends. The disclosure has been corrected, which had no impact on the company's income tax expense, earnings, nor on any totals and subtotals in the company financial statements.

Tax payable	2023 US$'000	2022 US$'000
Balance at the beginning of the year	**63**	42
Current tax charge	**769**	2 676
Payments made	**(727)**	(2 655)
Balance at the end of the year	**105**	63

Significant judgement: Taxes

Judgement is required in determining the liability for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws.

11. INVESTMENTS IN SUBSIDIARIES

Accounting policy

Subsidiaries are entities controlled by the Company. Control exists where the Company is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee.

Investments in subsidiary companies are stated at cost less accumulated impairment losses. Impairment losses are recognised as an expense in the period in which the impairment is identified.

Accounting policy: impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its related CGU exceeds its recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGUs (group of units) and then, to reduce the carrying amount of the other assets in the CGU (group of units) on a pro rata basis.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash flows from continuing use that are largely independent of the cash inflows of the other assets of the CGU.

Impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed through profit or loss if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

	2023 US$'000	2022 US$'000
Unlisted ordinary shares	**181 840**	110 330
Unlisted preference shares	**152 361**	290 720
	334 201	401 050

The following table contains the particulars of all direct subsidiaries of the Company.

Name	**Country of establishment/ incorporation and operation**	**Principal activities**	**2023 Holding %**	**2022 Holding %**	**Date of incorporation/ establishment/ acquisition**	**Particulars of issued and paid up capital and other securities**	**Type of entity**
Tharisa Minerals Proprietary Limited	South Africa	Mining of platinum group metals and chrome concentrates	100	100	9 February 2009	500 ordinary shares of ZAR1 each and 1 706 (2022: 2 632) redeemable preference shares of ZAR0.01 each	Limited liability company
Tharisa Investments Limited	Cyprus	Investment holding	100	100	2 November 2010	15 129 class A shares of US$0.01 each	Limited liability company
Arxo Resources Limited	Cyprus	Selling and distribution of chrome products	100	100	4 February 2011	1 ordinary share of EUR1 each	Limited liability company
Arxo Logistics Proprietary Limited	South Africa	Logistics operations	100	100	1 March 2011	170 ordinary shares of ZAR1 each	Limited liability company
MetQ Proprietary Limited	South Africa	Manufacturing	100	100	1 October 2019	140 ordinary shares of ZAR1 each	Limited liability company

11. **INVESTMENTS IN SUBSIDIARIES (continued)**

Name	Country of establishment/ incorporation and operation	Principal activities	2023 Holding %	2022 Holding %	Date of incorporation/ establishment/ acquisition	Particulars of issued and paid up capital and other securities	Type of entity
Tharisa Administration Services Limited	Cyprus	Management and administration services to other entities of the Group and the Company	100	100	31 May 2011	1 100 ordinary shares of US$1 each	Limited liability company
Dinami Limited	Guernsey	Marketing of chrome products	100	100	30 May 2013	1 000 ordinary shares of £1 each	Limited liability company
Arxo Finance plc	Cyprus	Financing	100	100	29 June 2018	48 000 ordinary shares of US$1 each and 20 non-cumulative redeemable preference shares of US$1 each	Limited liability company
Salene Chrome Zimbabwe (Private) Limited	Zimbabwe	Mining of chrome concentrates	100	100	31 March 2021	400 ordinary shares of US$1 each	Limited liability company
Arxo Prospecting (Cyprus) Limited	Cyprus	Prospecting	100	100	19 April 2021	1 100 ordinary shares of US$1 each	Limited liability company
Arxo Exploration (Cyprus) Limited	Cyprus	Exploration	100	100	20 April 2021	1 100 ordinary shares of US$1 each	Limited liability company
Arxo Technologies Limited	Cyprus	Research and development	100	100	30 June 2021	1 000 ordinary shares of US$1 each	Limited liability company
Redox One Limited	Cyprus	Research and development in renewable energy solutions	100	100	18 April 2022	200 ordinary shares of US$1 each	Limited liability company
Skyler Storm (Private) Limited	Zimbabwe	Mining and beneficiation of chrome concentrate	100	100	1 December 2021	200 000 ordinary shares of US$1 each	Limited liability company
Karo Mining Holdings plc	Zimbabwe	Investment holding company	75	70	30 March 2022	54 248 ordinary shares of US$1 each	Limited liability company

During the year ended 30 September 2023, the Company subscribed for an additional 100 ordinary shares issued by Redox One Limited at US$20 000 a share (US$2.0 million) and an additional 25 ordinary shares issued by MetQ Proprietary Limited at ZAR25 million (US$1.3 million).

11. INVESTMENTS IN SUBSIDIARIES (continued)

Acquisition of 75% equity interest in Karo Mining Holdings plc ('Karo Mining')

Effective 30 March 2022, the Company acquired a controlling interest in Karo Mining by increasing its shareholding to 66.34% in Karo Mining. Prior to the acquisition, the investment in Karo Mining was accounted for as a joint venture investment at cost. At 30 September 2021 the joint venture investment represented 26.8% of the issued share capital of Karo Mining, a company incorporated in Cyprus. 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 totalling US$5.0 million. The additional 37.96% of the issued share capital of Karo Mining was acquired from the Leto Settlement, a related party (refer to note 20), for a purchase consideration of US$29.4 million. The purchase consideration was settled through the issue of 13 693 000 new ordinary shares of the Company to the Leto Settlement.

Karo Mining' principal place of business is in Cyprus. The functional and presentation currency of Karo Mining and its subsidiaries is the US$. The table below details Karo Mining' interest in subsidiaries as at 30 March 2022 (date of acquisition), 30 September 2022 and 30 September 2023.

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

Effective 19 May 2022, the Company acquired a loan receivable from Arxo Finance plc that was receivable from Karo Mining in cash at the value of US$8.5 million. This loan receivable was converted to ordinary shares issued by Karo Mining. Karo Mining issued an additional 38 new ordinary shares to the Company as consideration. The additional shares issued represented 1.21% of the issued share capital of Karo Mining which increased the Company's shareholding to 67.55%.

Effective 2 June 2022, Karo Mining issued an additional 44 new ordinary shares for a cash subscription of US$9.9 million to the Company. The additional shares issued represented 1.29% of the issued share capital of Karo Mining which increased the Company's shareholding to 68.84%.

Effective 10 August 2022, Karo Mining issued an additional 45 new ordinary shares for a cash subscription of US$10.2 million to the Company. The additional shares issued represented 1.22% of the issued share capital of Karo Mining which increased the Company's shareholding to 70.0%.

Effective 7 September 2022, Karo Mining issued an additional 44 051 new ordinary shares for a cash subscription of US$44 thousand to the Company and the non-controlling shareholder. The Company subscribed to 30 835 ordinary shares while the non-controlling shareholder subscribed to 13 216 ordinary shares. The shares were subscribed for pro rata to each shareholder's holding.

Effective 30 June 2023, Karo Mining issued an additional 3 800 new ordinary shares for a cash subscription of US$27.3 million to the Company. The additional shares issued represented 2.33% of the issued share capital of Karo Mining which increased the Company's shareholding to 72.33%.

Effective 31 July 2023, Karo Mining issued an additional 5 248 new ordinary shares for a cash subscription of US$37.7 million to the Company. The additional shares issued represented 2.68% of the issued share capital of Karo Mining which increased the Company's shareholding to 75.00%.

11. INVESTMENTS IN SUBSIDIARIES (continued)

Terms of preference shares of Tharisa Minerals Proprietary Limited ('Tharisa Minerals')
The preference shares of US$135.7 million (2022: US$270.7 million) confer on the holder the right to receive out of distributable profits of Tharisa Minerals a cumulative preferential cash dividend calculated at the rate of twelve – month SOFR + 1.7% pa (2022: twelve – month US$ Libor + 1% pa), on the basis that it shall be due and payable annually on the dividend date (30 September). For the transition from US$ Libor to SOFR, the Company applied the practical expedient available within the amendments as the transition was as a direct consequence of the IBOR reform and was completed on an economically equivalent basis. The transition had no material impact on the results for the year ended 30 September 2023. The preference dividend shall, in respect of each preference share which has not been redeemed, be declared and paid on each dividend date and will be calculated at the dividend rate on the subscription price. The redemption date is the earlier of the tenth business day after receipt by the preference shareholder of a written notice given by Tharisa Minerals, which notice Tharisa Minerals may give at any time, or the tenth business day after receipt by Tharisa Minerals of a written notice given by the preference shareholder, which the preference shareholder may give only after the third anniversary of the subscription date. Three years since the subscription date have already passed (June 2008). The remaining preference share capital investment of US$135.7 million (2022: US$270.7 million) is treated by the Company as part of the net investment in Tharisa Minerals on the basis that the redemption is neither planned nor likely to occur in the foreseeable future. The preference shares are subordinated in favour of Tharisa Minerals' bank borrowings.

During the year ended 30 September 2023, Tharisa Minerals notified the Company of its intention to redeem US$135.0 million of the redeemable cumulative preference share capital. At 30 September 2023, US$95.2 million of the redeemable preference share capital has been redeemed (2022: no redemption). The remainder of the redeemable portion of the preference share capital balance US$39.8 million was reclassified as a receivable on the basis that the Company expects the redemption in the foreseeable future, refer to note 12.

During the year ended 30 September 2023, US$13.2 million (2022: US$47.8 million) of accrued preference dividends was paid by Tharisa Minerals. Effective from 30 September 2021, all accrued dividends were classified as short-term receivables and no longer part of the net investment in Tharisa Minerals as settlement of the preference share dividends occurred and will occur in the foreseeable future, refer to note 13.

Terms of redeemable preference shares of Arxo Finance plc
During the year ended 30 September 2022, the Company acquired 5 non-cumulative redeemable preference shares for a consideration of US$ 5 million from Arxo Finance plc. No additional non-cumulative redeemable preference shares were acquired during the year ended 30 September 2023.

The preference share investment of US$16.6 million (2022: US$20.0 million) is treated by the Company as part of the investment in Arxo Finance plc. The non-cumulative redeemable preference shares, at a subscription price of US$1 000 000 per share, of which US$1 allocated as par value and US$999 999 as a share premium entitles the holders thereof to an annual dividend at a variable rate equal to three – month SOFR + 275 basis points (2022: three - month US$ Libor + 275 basis points). For the transition from US$ Libor to SOFR, the Company applied the practical expedient available within the amendments as the transition was as a direct consequence of the IBOR reform and was completed on an economically equivalent basis. The transition had no material impact on the results for the year ended 30 September 2023. Such dividend payment rights will only accrue for as long as there are sufficient accumulated distributable reserves in any given financial year, as well as an express declaration of dividends by the board of directors of Arxo Finance plc. The non-cumulative redeemable preference shares may be redeemed at the earlier of three years at the election of Arxo Finance plc or after five years at election of the Company from 31 March 2020. The redemption of the preference shares by the Company and Arxo Finance plc is neither planned nor likely to occur in the foreseeable future and are therefore treated by the Company as part of the net Investment in Arxo Finance plc. Arxo Finance plc has not declared any preference dividends during the year ended 30 September 2023 (2022: no preference dividends declared). The redemption of the preference shares may be either at the behest of the Company or the preference shareholders, for the following price:
(i) the original subscription price;
(ii) all dividends which have been expressly declared and have accrued (but have not been paid); and
(iii) any other interest arrears.

Acquisition of 26% equity interest in Tharisa Minerals
Effective 16 February 2022, the Company acquired 20.0% of the issued share capital of 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 20). The purchase consideration was settled through the issue of 10 695 187 new ordinary shares in the Company. Post the acquisition, the Company owned 94.0% of the issued ordinary shares of Tharisa Minerals.

On 20 May 2022 the Company purchased the remaining 6.0% of the issued ordinary shareholding of Tharisa Minerals from the Tharisa Community Trust for a purchase consideration of US$5.7 million (ZAR90.0 million) with the purchase consideration being settled through the issue of 3 208 556 new ordinary shares in the Company. Post the acquisition, the Company owned 100% of the issued ordinary shares of Tharisa Minerals.

11. INVESTMENTS IN SUBSIDIARIES (continued)

Impairment of investment in MetQ Proprietary Limited ('MetQ')

During the year ended 30 September 2022, it became evident that the operational performance of MetQ was not as expected and the Company believed that an impairment indicator was present. The MetQ investment was tested for impairment by using its value in use. The cost of the investment was US$2.7 million and the recoverable amount of the investment in subsidiary was calculated at US$1.1 million and consequently an impairment loss of US$1.6 million was recognised in other operating expenses. The discount rate used within the value in use calculation was a real discount rate of 12.6%.

The additional capital investment in MetQ of US$1.3 million during the year ended 30 September 2023 enabled MetQ to reduce debt and assist with working capital requirements. Even though the operational performance improved compared to the performance for the year ended 30 September 2022, the Company believes that the operational performance of MetQ was still below expectation and that an impairment indicator was still present at 30 September 2023. The total investment in MetQ of US$2.4 million was tested for impairment by determining the value in use and the fair value less cost to sell. The Company believes that no additional impairment is required at 30 September 2023 as the fair value less cost to sell, being higher than the value in use, supports the recoverability of the investment in MetQ.

Impairment of investment in Salene Chrome Zimbabwe (Private) Limited ('Salene')

During the year ended 30 September 2022, the Company impaired its investment of US$8.8 million in Salene in full. Effective 1 July 2022, the Zimbabwean government enacted an export ban on chrome concentrates to support the local beneficiation industry. Local downstream selling prices of chrome concentrates were unfavourable to Salene and consequently operations were ceased while allowing the company to evaluate and develop downstream opportunities. The Company believed that the change in operational circumstances during the year ended 30 September 2022 represented an impairment indicator. The Company's investment had a cost of US$8.8 million. The Company performed a value in use calculation and concluded that the recoverable amount of the investment in subsidiary is zero. The discount rate used within the value in use calculation represented the weighted average cost of capital and was 10.5%. Consequently an impairment charge of US$8.8 million was recognised in other operating expenses. The impairment was not tax deductible.

At 30 September 2023, the operational environment and circumstances of Salene have not improved and the operations remain in care and maintenance.

Impairment of investment in Skyler Storm (Private) Limited ('Skyler')

At 30 September 2023, Skyler remained in care in maintenance due to prolonged delays in starting up the operations which resulted in Skyler's liabilities exceeding its assets. Consequently the Company believes that an impairment indicator is present. The cost of the investment was US$1.0 million. The investment in Skyler was tested for impairment and the Company concluded that the fair value less cost to sell value exceeds the value in use. The key inputs used by the Company in determining the fair value less cost to sell represent adjusted unobservable information with specific reference to the estimated disposal value and replacement cost of chrome plants (fair value hierarchy level 3). The Company concluded that the fair value less cost to sell will result in a negative value and consequently an impairment loss of US$1.0 million was recognised in other operating expenses (note 7).

Judgement and estimates: recoverability of investment in subsidiaries and other receivables

The recoverable amounts of the Company's investment in subsidiaries and other receivables have been based on cash flow projections as at 30 September 2023 and 30 September 2022. The internal financial model is based on the known and confirmed resources and circumstances of each investment and receivable and includes cash flow projections resulting from approved capital projects, and no future credit losses are expected.

The following underlying assumptions were used in the discounted cash flow model in determining the value in use recoverable amounts of the investments in Tharisa Minerals and Karo Mining:

- a discount rate of 12.2% (2022: 13.4%) for Tharisa Minerals and 10.4% (2022: 10.0%) for Karo Mining;
- forecast timing of cash flows reflects actual practices;
- a forecast period of 18 years (2022: 19 years) for Tharisa Minerals and a forecast period of 11 years (2022: 17 years) for Karo Mining;
- an exchange rate of ZAR18.14:US$1 (2022: ZAR18.07:US$1);
- spot PGM basket price of US$1 565/oz (2022: US$1 889/oz) and spot chrome concentrate prices of US$280/tonne) (2022: 164/tonne); and
- future ongoing capital requirements were included necessary to maintain the assets in its current conditions.

Sensitivity analyses were performed by adjusting the above assumptions individually and collectively by 90% and 110%. The recoverable amounts were higher than the carrying amounts of the investments and consequently no impairment or allowance for credit losses has been recognised. The calculated recoverable amounts are most sensitive to inputs used for forecast spot PGM basket and chrome concentrate prices, therefore decreases in these prices could erode the headroom and result in potential impairments of these investments.

12. FINANCIAL AND OTHER ASSETS

Accounting policy

Measurement: Financial assets at amortised cost

Financial assets at amortised cost are initially recognised at fair value, and subsequently carried at amortised cost less any impairment.

Measurement: Financial assets at fair value through profit or loss

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Financial assets carried at fair value through profit or loss are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets held at fair value through profit or loss are included in the statement of profit or loss in the period in which they arise.

Derecognition: Financial assets

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognised in the statement of profit or loss.

Hedge accounting

The Company does not apply hedge accounting.

	Fair value hierarchy	**2023 US$'000**	2022 US$'000
Non-current financial assets			
Share-based payment receivables from related parties (note 20)		**3 875**	2 589
Current financial assets			
Unlisted preference shares – Tharisa Minerals Proprietary Limited (note 11)		**39 754**	-
Share-based payment receivables from related parties (note 20)		**495**	610
Shares in Bank of Cyprus Public Co Limited	Level 1	**48**	19
		40 297	629

The financial and other assets at amortised cost approximate its fair value.

Unlisted preference shares – Tharisa Minerals Proprietary Limited ('Tharisa Minerals')

During the year ended 30 September 2023, Tharisa Minerals notified the Company of its intention to redeem a portion of the redeemable cumulative preference share capital amounting to US$39.8 million. This balance represents the preference share capital that remains redeemable as at 30 September 2023 and that has been reclassified from the net investment in Tharisa Minerals on the basis that the Company expects the redemption in the foreseeable future, refer to note 11.

Shares in Bank of Cyprus Public Co Limited

The financial assets at fair value through profit or loss represent shares in Bank of Cyprus Public Co Limited that are marketable securities and are valued at market value at the close of business on 30 September 2023 by reference to latest available stock exchange quoted bid prices. These financial assets are measured at fair value through profit or loss.

13. OTHER RECEIVABLES

Accounting policy

Other receivables, prepayments, deposits and dividends receivable, are non-derivative financial assets categorised as financial assets measured at amortised cost. The accounting policy for expected credit losses is disclosed in note 12.

	2023 US$'000	2022 US$'000
Accrued dividends (note 20)	**-**	**913**
Accrued interest revenue – preference share dividends (note 20)	**3 324**	**2 487**
Receivables from related parties (note 20)	**1 220**	**943**
Deposits and prepayments	**107**	**95**
Other	**17**	**157**
	4 668	**4 595**

The carrying amount of other receivables approximate its fair value.

14. CASH AND CASH EQUIVALENTS

Accounting policy
Cash and cash equivalents comprise cash at bank, demand deposits with banks and other financial institutions, and short-term, highly liquid investments held for the purpose of meeting short-term cash commitments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value and a maturity of three months or less.

	2023 US$'000	2022 US$'000
Cash at bank	**40 182**	2 169
Bank deposits	**260**	260
	40 442	2 429

As at 30 September 2023, US$0.3 million (2022: US$0.3 million) served as security against certain credit facilities of the Company and its subsidiaries. The amounts reflected above approximate their fair values.

15. SHARE CAPITAL AND RESERVES

Accounting policy: share capital
The share capital is stated at nominal value. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

When share options are exercised, the Company issues new shares or issues shares from treasury shares held. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium.

Share capital	**30 September 2023**		30 September 2022	
	Number of Shares	**US$'000**	Number of Shares	US$'000
Authorised – ordinary shares of US$0.001 each				
As at 30 September	**10 000 000 000**	**10 000**	10 000 000 000	10 000
Authorised – convertible redeemable preference shares of US$1 each				
As at 30 September	**1 051**	**1**	1 051	1
Issued				
Ordinary shares				
Balance at the beginning of the year	**302 596 743**	**303**	275 000 000	275
Issued during the year	**-**	**-**	27 596 743	28
Balance at the end of the year	**302 596 743**	**303**	302 596 743	303
Treasury shares				
Balance at the beginning of the year	**2 850 378**	**3**	3 715 621	4
Transferred as part of management share award plans	**(273 329)**	**-**	(865 243)	(1)
Balance at the end of the year	**2 577 049**	**3**	2 850 378	3
Issued and fully paid	**300 019 694**	**300**	299 746 365	300
Share premium				
Balance at the beginning of the year	**299 746 365**	**345 597**	271 284 379	289 547
Issued during the year	**273 329**	**396**	28 461 986	56 050
Balance at the end of the year	**300 019 694**	**345 993**	299 746 365	345 597
Total share capital and premium		**346 293**		345 897

Share capital
No shares were issued during the year ended 30 September 2023. During the year ended 30 September 2022, the Company issued 13 693 000 ordinary shares to The Leto Settlement, a related party, as consideration for the controlling interest in Karo Mining Holdings (refer to note 11). In addition, the Company issued 10 695 187 and 3 208 556 ordinary shares to Thari Resources Proprietary Limited and The Tharisa Community Trust respectively, both related parties, as consideration for the acquisition of the non-controlling interest in Tharisa Minerals Proprietary Limited (refer to note 11).

During the year ended 30 September 2023, 273 329 (2022: 865 243) 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.

15. SHARE CAPITAL AND RESERVES (continued)

Share capital (continued)

At 30 September 2023, 2 577 049 (2022: 2 850 378) ordinary shares were held in treasury.

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.

During the years ended 30 September 2023 and 30 September 2022, the increases in the share premium account related to the issue and allotment of ordinary shares.

Other reserve

The other reserve represents a historic ordinary share issue by the Company to parties external to the Group in exchange for preference shares in Tharisa Minerals. The ordinary shares were issued at a price reflective of the fair value of the preference shares less share issue costs, which was in excess of the nominal value of the ordinary shares, but the excess was not registered as share premium at the Registrar of Companies in Cyprus, thus presented and disclosed separately from share premium. The other reserve is not distributable for dividend purposes.

Retained earnings

The retained earnings include the accumulated retained profits and losses of the Company (2023: US$20.0 million (2022: US$14.4 million)) and the share-based payment reserve (2023: US$2.6 million (2022: US$1.2 million)). Retained earnings are distributable for dividend purposes.

Capital management

The Company's target is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business in a way that optimises the cost of capital and matches the current strategic business plan. The Board of Directors monitors both the demographic spread of shareholders, as well as the return on capital. Capital is defined as equity attributable to owners of the Company. Management is aware of the risks associated to capital management. Capital needs are monitored on a regular basis and whenever needed management takes steps in an attempt to effectively manage any corresponding risks.

16. DEFERRED TAX

Accounting policy

Refer to note 10.

	2023 US$'000	2022 US$'000
Deferred tax liability		
Dividend withholding tax	**166**	124
Reconciliation of deferred tax liability		
Balance at the beginning of the year	**124**	2 068
Temporary differences recognised in profit or loss in relation to:		
Dividend withholding tax	**42**	(1 944)
	166	124

The deferred tax liability relates to dividend withholding tax raised on accrued dividends amounting to US$3.3 million (2022: US$2.5 million) which were classified as short-term receivables, as the Company expects settlement in the foreseeable future. The accrued dividends attract dividend withholding tax at a rate of 5.0% (2022: 5.0%) upon payment. The Company raised the relevant dividend withholding tax as deferred tax since settlement of the accrued preference dividends is expected within the foreseeable future.

17. FINANCIAL AND OTHER LIABILITIES

Accounting policy: other payables/liabilities
Other payables/liabilities are non-derivative financial liabilities categorised as other financial liabilities. Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Accounting policy: financial guarantee contracts
Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value.

The fair value of a financial guarantee contract issued by the Company for no premium is the present value of the difference between the net contractual cash flows required under a debt instrument, and the net contractual cash flows that would have been required without the guarantee.

Subsequent to initial recognition, the financial guarantee liabilities relevant to the company are mainly measured at their expected credit losses in terms of IFRS 9.

The Company's liability under a financial guarantee that is subsequently measured at its expected credit loss in terms of IFRS 9 is determined based on the cash shortfalls representative of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the entity (issuer) expects to receive from the holder, the debtor or any other party.

	2023 **US$'000**	2022 US$'000
Accruals	**367**	363
Financial guarantee contract liability (note 19)	**5 695**	-
Other payables	**635**	846
Share-based payment liabilities to related parties (note 20)	**4**	833
Payables to related parties (note 20)	**324**	310
	7 025	2 352

Financial and other liabilities were previously disclosed as other payables. The change in the description had no impact on the balance sheet as at 30 September 2022, no impact on the balances disclosed as other payables as at 30 September 2022 nor an impact on the net profit after tax for the period ending 30 September 2022.

The Company issued financial guarantee contracts to the related party creditors of Skyler Storm (Private) Limited and Salene Chrome Zimbabwe (Private) Limited. These financial guarantee contracts were effective for the entire year ended 30 September 2023. The recognised value linked to these financial guarantee contracts represent the expected cash shortfalls in settling these receivables which the Company would need to reimburse the holders for, if called upon. Refer to the financial guarantee credit risk and liquidity risk disclosures in note 19.

During the year ended 30 September 2022, the share-based payment liabilities arose from the cash settlement of the third tranche of the 2019 Award as well as the second tranche of the 2020 Award (refer to note 4) which has been settled by the relevant subsidiary companies and for which the Company has an obligation to reimburse the relevant subsidiary companies for this cash settlement. The amounts above are payable within one year from the reporting period. The exposure of the Company to liquidity risk is disclosed in note 19. The amounts reflected above approximate their fair values.

18. DIRECTORS INTEREST IN STATED CAPITAL

	2023 **%**	2022 %
LC Pouroulis	**0.41**	0.40
P Pouroulis	**2.69**	2.68
MG Jones	**0.24**	0.26
A Djakouris	**0.01**	0.01
C Bell	**0.02**	0.02
Total	**3.37**	3.37

Where a member of the Board of Directors holds no direct or indirect interest, the director is not reflected in the table above. There has been no change in the Director's interests in the share capital of the Company between the end of the financial year and the date of the approval of the financial statements.

19. FINANCIAL RISK MANAGEMENT

Accounting policy: classification

The Company classifies its financial instruments in the following categories:

- At fair value through profit or loss
- At fair value through other comprehensive income
- At amortised cost

The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest' ('SPPI') on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Equity instruments that are held for trading are classified at fair value through profit or loss, for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at fair value through other comprehensive income. Financial liabilities are measured at amortised cost, unless they are required to be measured at fair value through profit or loss (such as derivatives) or the Company has designated to measure them at fair value through profit or loss.

The following table presents the classification of financial instruments:

Financial assets	**Classification**
Financial and other assets	
Investment in equity instruments	Fair value through profit or loss
Investments in unlisted preference shares – Tharisa Minerals Proprietary Limited	Amortised cost
Investments in unlisted preference shares – Arxo Finance plc	Fair value through profit or loss
Option to acquire shares	Fair value through profit or loss
Other receivables	Amortised cost
Cash and cash equivalents	Amortised cost

Financial liabilities	**Classification**
Other payables	Amortised cost

Accounting policy: expected credit losses/Impairment of financial assets

Impairment requirements are based on expected credit losses (expected credit loss model). Expected credit losses ('ECLs') are an estimate of credit losses over the life of a financial instrument, and are recognised as a loss allowance or provision. The amount of ECLs to be recognised depends on the extent of credit deterioration since initial recognition. The Company applies the expected credit loss model to all debt instruments classified as measured at amortised cost, or at fair value through other comprehensive income, including lease receivables and contract assets.

The Company considers both approaches: the general approach and the simplified approach. For trade receivables due in less than 12 months, the Company applies the simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. The Company considers its historical credit loss experience, adjusted for forward looking factors that could indicate impairments taking into account the specific debtors and the economic environment.

The general approach requires the assessment of financial assets to be split into 3 stages:

Stage 1: no significant deterioration in credit quality. This identifies financial assets as having a low credit risk, and the asset is considered to be performing as anticipated. At this stage, a 12-month expected credit loss assessment is required.

Stage 2: significant deterioration in credit quality of the financial asset but no indication of a credit loss event. This stage identifies assets as under-performing. Lifetime expected credit losses are required to be assessed.

Stage 3: clear and objective evidence of impairment is present. This stage identifies assets as non-performing financial instruments. Lifetime expected credit losses are required to be assessed.

Once a default has occurred, it is considered a deterioration of credit risk and therefore an increase in the credit risk.

The Company considers a wide variety of indicators when assessing the increase in credit risk as well as the probability of the default happening for impairment purposes. Some indicators considered include: Significant changes in the expected performance and behaviour of the debtor; past due information; significant changes in external market indicators including market information related to the debtor, existing or forecast adverse changes in business, financial or economic conditions; an actual or expected significant adverse change in the regulatory, economic, or technological environment; actual or expected significant internal credit rating downgrade or decrease; actual or expected significant change in the operating results of the debtor.

The expected credit loss value is determined as the estimated cash shortfall that would be incurred, multiplied by the probability of the default occurring.

19. FINANCIAL RISK MANAGEMENT (continued)

Accounting policy (continued)

Measurement: Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are initially recognised at fair value. Financial assets are subsequently carried at amortised cost less any impairment/expected credit loss allowance while financial liabilities are subsequently carried at amortised cost.

Measurement: Financial assets and liabilities at fair value through profit or loss

Financial assets and liabilities carried at fair value through profit or loss are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at fair value through profit or loss are included in the statement of profit or loss in the period in which they arise.

Derecognition: Financial assets

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognised in the statement of profit or loss.

Derecognition: Financial liabilities

The Company derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the statement of profit or loss.

Hedge accounting

The Company does not apply hedge accounting.

In the ordinary course of business the Company is exposed to credit risk, liquidity risk, and market risk. This note presents information about the Company's exposure to each of the above risks and its objectives, policies and processes for measuring and managing risks. Further quantitative disclosures are included throughout this note.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company’s financial assets and issued financial guarantee contracts.

Credit risk from the Company’s financial assets

The most significant exposure for the Company to credit risk is represented by the carrying amount of receivables from related parties, other financial assets and receivables, unlisted preference share investments in subsidiaries and cash and cash equivalents.

Financial and other assets, other receivables and unlisted preference share investments in subsidiaries

The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each party. However, management also considers the demographics of each party including the default risk of the industry and country in which they operate, as these factors may have an influence on credit risk. In monitoring credit risk, management reviews on a regular basis the ageing and the current and anticipated financial position and profitability of entities included in receivables from related parties, unlisted preference share investment in Tharisa Minerals Proprietary Limited and other financial assets and receivables.

The Company establishes an allowance for credit losses that represents its estimate of expected credit losses. The main component of this allowance is a specific loss component that relates to individually significant credit risk exposures. At the reporting date, the Board of Directors is of the opinion that the expected credit loss provision made for the balance owing by Salene Chrome Zimbabwe (Private) Limited (‘Salene’) US$175 thousand and Skyler Storm (Private) Limited (‘Skyler’) US$85 thousand is a fair reflection of the potential risk of default and counterparties potentially not having the ability in the foreseeable future to satisfy their contractual cash flow obligations to the Company.

The credit risk linked to the receivables from Salene and Skyler has increased significantly during the financial year ended 30 September 2023 due to their ability to meet their contractual cash flow obligations deteriorating significantly as a result of operations that have temporarily been stopped and remaining in care maintenance for a prolonged period of time. The Company has therefore raised a stage 2 lifetime expected credit loss provision for these receivables based on the estimated cash shortfall determined as the expected difference between the contractual cash flows due and the expected cash flows to be received from these subsidiaries, for which consideration was given to the probability of the expected success of the mining projects which are currently in progress within these entities.

A reconciliation of the expected credit loss provision on the Company’s financial assets:	**Receivables from related parties**	
	2023	2022
	US$’000	US$’000
Opening balance	**-**	-
Expected credit loss charged to profit or loss – receivables from related parties	**260**	-
Closing balance	**260**	-

19. FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

Financial and other assets, other receivables and unlisted preference share investments in subsidiaries (continued)

The other carrying amounts in terms of other financial assets and receivables, receivables from related parties and the unlisted preference share investment in Tharisa Minerals are not considered to be impaired nor having a material expected credit loss to be raised as the counterparties are viewed as having a low risk of default, strong capacity to meet their contractual cash flow obligations and adverse changes in economic and business conditions is not expected to significantly impact the ability to meet contractual cash flow obligations.

Cash and cash equivalents

The Company limits its exposures on cash and cash equivalents by dealing only with well-established financial institutions of investment grade ratings and of high quality credit standing. At the reporting date, the majority of the Company's cash resources was deposited with HSBC based in Hong Kong.

The maximum exposure to credit risk at the reporting date for the company is reflected by the gross carrying amount of financial assets as disclosed below:

	2023 US$'000	2022 US$'000
Unlisted preference share investments in Tharisa Minerals Proprietary Limited	**135 720**	270 720
Unlisted preference share investments in Arxo Finance plc	**16 641**	20 000
Non-current financial and other assets	**3 875**	2 589
Current financial and other assets	**40 297**	629
Other receivables	**4 668**	4 595
Cash and cash equivalents	**40 442**	2 429
	241 643	300 962

Credit risk from the Company's issued financial guarantee contracts

From the financial guarantee contracts issued by the Company as disclosed in note 20, it was only the financial guarantee contracts issued to the related party creditors of Salene and Skyler, with a gross credit risk exposure of US$9.0 million and US$1.0 million respectively, that was assessed and determined to require the recognition of an expected credit loss.

The expected credit loss provision, representing a stage 2 lifetime expected credit loss, that was recognised during the year ended 30 September 2023 (30 September 2022: no material ECL provision relevant on issued financial guarantee contracts) which was as a result of a significant increase in credit risk due to the deteriorating ability of these entities to meet their contractual cash flow obligations.

The expected credit loss provision raised amounting to US$5,7 million (2022: US$ nil) on these financial guarantees were based on potential cash shortfalls by Salene Chrome and Skyler Storm, after taking their future expected ability to settle the payments due to the creditors into account, for which consideration was given to their operations that have temporarily been halted, remaining in care maintenance for a prolonged period of time as well as the probability of the success of the mining projects which are currently in progress within these entities. The expected credit loss represents the potential payments to be made by the Company to reimburse these creditors for a credit loss that they could potentially incur if the financial guarantees are called upon by these creditors.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Management is aware of the above risk. Liquidity risk is monitored on a regular basis and management is taking steps deemed necessary in an attempt to manage the corresponding risk. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, financial risk management may not be possible for instances where weakened commodity prices exist, forecast production not being achieved and funding is not raised.

19. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

The following table presents the remaining contractual maturities of the Company's financial liabilities at the end of the reporting period, which are based on contractual undiscounted cash flows and the earliest date the Company can be required to pay:

	Contractual undiscounted cash flow			
30 September 2023	**Within 1 year or on demand US$'000**	**Between 2 and 3 years US$'000**	**Total US$'000**	**Carrying amount US$'000**
Financial and other liabilities	**1 330**	**-**	**1 330**	**1 330**
Financial guarantees	**39 463**	**36 392**	**75 855**	**5 695**
30 September 2022				
Financial and other liabilities	2 352	-	2 352	2 352
Financial guarantees	33 943	-	33 943	-

The values disclosed for the financial guarantees within the liquidity risk maturity analyses represent the gross value of financial guarantees the Company has issued while the carrying amount represents the amount related to these guarantees as included in the statement of financial position.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Equity price risk

Equity price risk is the risk that changes in equity prices will affect the Company's income or the value of its investment holdings. The maximum exposure to equity price risk is represented by the carrying amount of investments in unlisted shares as disclosed in note 11 to the financial statements.

The Board of Directors has performed an impairment assessment of the investments in subsidiaries based on the higher of value in use or the fair value less cost to sell and has concluded that indications of impairment were present at 30 September 2023, as well as impairments raised. Certain investments were impaired for during the year ended 30 September 2022. Refer to note 11.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially dependent of changes in market interest rates. Other than cash at bank which attracts interest at normal commercial rates and investments in preference shares of subsidiary companies, the Company has no other significant interest-bearing financial assets. Management is aware of the above risks. Interest rate risk is monitored on a regular basis and management is taking steps deemed necessary in an attempt to manage the corresponding risk.

At the reporting date the interest rate profile of interest-bearing financial instruments were:

	Effective interest rate			
Unlisted preference shares	**2023**	2022	**2023 US$'000**	2022 US$'000
Unlisted preference shares in Tharisa Minerals Proprietary Limited (non-current)	**12 – month SOFR + 1.7%**	12 – month US$ Libor + 1.0%	**135 720**	270 719
Unlisted preference shares in Tharisa Minerals Proprietary Limited (current)	**12 – month SOFR + 1.7%**		**39 754**	-
Unlisted preference shares in Arxo Finance plc	**3 – month SOFR + 2.75%**	3 – month US$ Libor + 2.75%	**16 641**	20 000
			192 115	290 719

19. FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

Sensitivity analysis

An increase of 100 basis points in interest rates at the reporting date would have increased equity and profit or loss by approximately US$2.1 million (2022: US$2.7 million). This analysis assumes that all other variables and in particular foreign exchange rates, remain constant. The analysis is performed on the same basis for 30 September 2022. A decrease of 100 basis points in interest rates at the reporting date would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the exchange rate movement in South African Rand ('ZAR'), British Pound ('GBP') and Euro ('€') against the US$. Management is aware of the above risk. Currency risk arising from currency fluctuations is monitored on a regular basis and management is taking steps deemed necessary to manage the corresponding risk.

The following table details the Company's exposure at the end of the reporting period to currency risk arising from recognized financial assets and financial liabilities denominated in a currency other than the functional currency of the Company. For presentation purposes, the amounts of the exposure are presented in US$, translated using the spot rate at the reporting date. The spot rates used at the reporting date against the US$ are US$:ZAR 18.91 (2022: 18.07); US$:EUR 0.94 (2022: 1.02) and US$:GBP 0.82 (2022: 0.90).

		2023			2022	
Amounts in US$'000	**€**	**ZAR**	**GBP**	€	ZAR	GBP
Financial assets	**48**	**4 370**	**-**	19	2 624	-
Other receivables	**5**	**50**	**43**	-	1 070	-
Cash and cash equivalents	**37**	**424**	**31**	29	149	132
Other payables	**(223)**	**(307)**	**(27)**	(201)	(632)	(6)
Current tax liabilities	**(105)**	**-**	**-**	(63)	-	-
	(238)	**4 537**	**47**	(216)	3 211	126

Sensitivity analysis

A 10% strengthening of the US$ against the currencies disclosed in the previous table at 30 September 2023 and 30 September 2022, would have increased/(decreased) equity and profit or loss by the amounts disclosed in the following table. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the US$ against the relevant currency, there would be an equal and opposite impact on the profit or loss and equity.

	Profit or loss and equity	
	2023 US$'000	2022 US$'000
ZAR	**(412)**	(292)
€	**51**	20
GBP	**(4)**	(11)
	(365)	(283)

Fair values

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

Fair value hierarchy

The carrying value of the Company's financial instruments at fair value through profit or loss at the end of the reporting period across the three levels of the fair value hierarchy defined in IFRS 13, *Fair Value Measurement,* is represented by the carrying amounts of the financial and other assets. The fair value is categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

19. FINANCIAL RISK MANAGEMENT (continued)

Fair values (continued)

Financial instrument	Fair value level	Fair value 2023 US$'000	Fair value 2022 US$'000	Valuation technique and key inputs
Financial assets measured at fair value				
Investments in equity instruments - Shares in Bank of Cyprus Public Co Limited	Level 1	**48**	19	Quoted market price for the same instrument
Preference share investment – Arxo Finance plc	Level 2	**16 641**	-	Discounted cash flow model based on quoted market interest rates

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

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

Changes in fair value of financial assets at fair value through profit or loss	2023 US$'000	2022 US$'000
Investments in equity instruments - Shares in Bank of Cyprus Public Co Limited	**29**	1
Preference share investment – Arxo Finance plc	**(1 447)**	-
Right to acquire shares in Karo Platinum*	**-**	(5 870)
	(1 418)	(5 869)

* Upon obtaining control over Karo Mining Holdings plc and subsidiaries during the year ended 30 September 2022, the option to acquire shares in Karo Platinum at a discount lapsed and consequently was derecognised through profit or loss.

20. RELATED PARTY TRANSACTIONS

Accounting policy

For the purpose of these financial statements, a party is considered to be related to the Company if:

- The party has the ability, directly or indirectly through one or more intermediaries, to control the Company or exercise significant influence over the Company in making financial and operating policy decisions, or has joint control over the Company;
- The Company and the party are subject to common control;
- The party is an associate of the Company or a joint venture in which the Company is a venturer;
- The party is a member of key management personnel of the Company or the Company's parent, or a close family member of such individual, or is an entity under the control, joint control or significant influence of such individuals;
- The party is a close family member of a party referred to in the first bullet point or is an entity under the control, joint control or significant influence of such individuals; or
- The party is a post-employment benefit plan which is for the benefit of employees of the Company or of any entity that is a related party of the Company.

Related party transactions exist between shareholders, subsidiaries of the Company, joint ventures and its directors.

Revenue	2023 US$'000	2022 US$'000
Dividend income (note 5)		
Arxo Logistics Proprietary Limited	**-**	1 021
Arxo Resources Limited	**25 000**	9 000
Tharisa Minerals Proprietary Limited	**-**	2 650
Interest revenue – preference share dividends (note 5)		
Tharisa Minerals Proprietary Limited	**13 987**	8 885
Interest revenue – notional unwinding of finance income on preference shares (note 5)		
Arxo Finance plc	**2 262**	-
	41 249	21 556
Administration fees (note 7)		
Tharisa Administration Services Limited	**258**	584
Tharisa Minerals Proprietary Limited	**63**	77
Braeston Proprietary Limited	**2 645**	3 659
	2 966	4 320

20. RELATED PARTY TRANSACTIONS (continued)

	2023 US$'000	2022 US$'000
Amortised interest on related party receivables (note 8)		
Tharisa Minerals Proprietary Limited	**-**	68
Non-current share-based payment receivables (note 12)		
Arxo Logistics Proprietary Limited	**84**	82
Arxo Metals Proprietary Limited	**81**	68
Arxo Resources Limited	**263**	40
Braeston Proprietary Limited	**2 619**	1 589
Dinami Limited	**69**	48
MetQ Proprietary Limited	**-**	12
Tharisa Administration Services Limited	**159**	47
Tharisa Minerals Proprietary Limited	**567**	660
Tharisa Fujian Industrial Co., Limited	**33**	38
Ubhova Security Proprietary Limited	**-**	5
	3 875	2 589
Current share-based payment receivables (note 12)		
Arxo Logistics Proprietary Limited	**-**	35
Arxo Metals Proprietary Limited	**11**	-
Arxo Resources Limited	**6**	-
Braeston Proprietary Limited	**419**	293
Dinami Limited	**9**	-
Tharisa Minerals Proprietary Limited	**43**	276
Ubhova Security Proprietary Limited	**7**	6
	495	610
Other receivables from related parties (note 13)		
Arxo Exploration (Cyprus) Limited	**125**	1
Arxo Finance plc	**-**	5
Arxo Prospecting (Cyprus) Limited	**-**	3
Arxo Resources Limited	**40**	-
Arxo Technologies Limited	**-**	6
Karo Mining Holdings plc	**28**	13
Karo Zimbabwe Holdings (Private) Limited	**5**	5
MetQ Proprietary Limited	**150**	-
Redox One Limited	**172**	33
Salene Chrome Zimbabwe (Private) Limited	**-**	175
Salene Mining Proprietary Limited	**-**	13
Skyler Storm (Private) Limited	**-**	86
Tharisa Administration Services Limited	**700**	603
	1 220	943

Receivables from related parties are unsecured, interest free and with no fixed repayment dates. The Company has issued financial support commitments to Tharisa Investments Limited, Tharisa Fujian Industrial Co., Limited, Salene Chrome Zimbabwe (Private) Limited and Skyler Storm (Private) Limited.

Share-based payment receivables represent receivables from related parties and include a non-current and current share-based payment asset totalling US$4.4 million (2022: US$2.6 million non-current and US$0.6 million current) for the reimbursement for the settlement of the portion of the LTIP and SARS awards on behalf of subsidiary companies.

20. RELATED PARTY TRANSACTIONS (continued)

	2023 US$'000	2022 US$'000
Dividends receivable (note 13)		
Arxo Logistics Proprietary Limited	**-**	913
Accrued interest revenue – preference share dividends receivable (note 13)		
Tharisa Minerals Proprietary Limited	**3 324**	2 487
	3 324	3 400
Payables to related parties (note 17)		
Braeston Proprietary Limited	**186**	158
Tharisa Minerals Proprietary Limited	**4**	4
Arxo Resources Limited	**-**	6
Karo Platinum (Private) Limited	**29**	29
	219	197
Amounts due to Directors and former Directors		
A Djakouris	**12**	18
J Salter	**22**	21
O Kamal	**12**	13
C Bell	**22**	23
R Davey	**19**	20
Z Hong	**9**	9
S Lo Wai Man	**9**	9
	105	113
	324	310
Current share-based payment payables (note 17)		
Tharisa Minerals Proprietary Limited	**-**	251
Arxo Logistics Proprietary Limited	**4**	27
Ubhova Security Proprietary Limited	**-**	4
Braeston Proprietary Limited	**-**	488
Dinami Limited	**-**	15
Tharisa Administration Services Limited	**-**	5
Arxo Metals Proprietary Limited	**-**	24
Arxo Resources Limited	**-**	19
	4	833
Purchase consideration for the acquisition of non-controlling interest in Tharisa Minerals Proprietary Limited:		
Thari Resources Proprietary Limited	**-**	19 908
The Tharisa Community Trust	**-**	5 719
Purchase consideration for the acquisition of additional interest and the controlling interest in Karo Mining Holdings plc from Leto Settlement		
7 February 2022	**-**	4 965
30 March 2022	**-**	29 445

Guarantees and financial support commitments to related parties

The Company issued a guarantee limited to US$10.0 million (2022: US$20.0 million) as a security for trade finance facilities provided by a bank to Arxo Resources Limited.

The Company issued financial guarantee contracts to related party creditors of Salene Chrome Zimbabwe (Private) Limited and Skyler Storm (Private) Limited. The total maximum exposure to related party creditors is US$9 million and US$1.0 million for Salene Chrome Zimbabwe (Private) Limited and Skyler Storm (Private) Limited respectively.

The Company issued a guarantee limited to US$15.9 million (ZAR300.0 million) (2022: US$16.6 million (ZAR300.0 million)) to Absa Bank Limited in respect of the Commercial Asset Finance and overdraft facilities of Tharisa Minerals Proprietary Limited.

20. RELATED PARTY TRANSACTIONS (continued)

Guarantees and financial support commitments to related parties (continued)
Karo Mining Holdings plc, a subsidiary of the Company, issued fixed income notes with a tenor of three years on 16 December 2022 listed on the Victoria Falls Stock Exchange to the value of US$26.8 million to external subscribers and US$10.0 million to Arxo Finance plc. The Company guarantees the capital repayment and interest of subscribers.

The Company issued a guarantee to Absa Bank Limited which guarantees payment of certain liabilities of Arxo Logistics Proprietary Limited to Transnet amounting to US$1.0 million (ZAR19.4 million) (2022: US$1.1 million (ZAR19.4 million)).

The Company has issued financial support commitments to its subsidiaries, Tharisa Investments Limited and Tharisa Fujian Industrial Co. Ltd, confirming that it will continue to provide funding to the companies in order to enable the entities to continue as going concerns and meet all their liabilities as they fall due.

Tharisa Minerals Proprietary Limited entered into an equipment loan facility of US$35.0 million (2022: US$35.0 million) with Caterpillar Financial Services Corporation. The equipment loan facility is secured by a first notarial bond over the equipment and is guaranteed by the Company.

The Company guarantees a total of US$8.1 million (ZAR153 million) (2022: US$8.5 million (ZAR153 million)) to third party suppliers of Tharisa Minerals Proprietary Limited.

The Company and Arxo Metals Proprietary Limited jointly indemnify a third party for any claims which may result from negligence or breach in terms of the plant operating agreement between Arxo Metals Proprietary Limited and the third-party.

Relationship between related parties and entities
A Djakouris, J Salter, O Kamal, C Bell, R Davey and S Lo Wai Man are directors of the Company while Z Hong is a former director of the Company.

Refer to note 11 for details of the Company's subsidiaries.

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

Thari Resources Proprietary Limited and The Tharisa Community Trust were former non-controlling shareholders of Tharisa Minerals Proprietary Limited.

A director of the Company is also a director of Salene Mining Proprietary Limited.

21. CONTINGENT LIABILITIES

As at 30 September 2023, there is no litigation (2022: no litigation), current or pending, which is considered likely to have a material adverse effect on the Company. The Company had no other contingent liabilities at 30 September 2023 (2022: no contingent liabilities).

22. EVENTS AFTER THE REPORTING PERIOD

Accounting policy
Assets and liabilities are adjusted for events that occurred during the period from the reporting date to the date of approval of the financial statements by the Board of Directors, when these events provide additional information for the valuation of amounts relating to events existing at the reporting date or imply that the going concern concept in relation to part or whole of the Company is not appropriate.

On 12 December 2023, the Board has proposed a final dividend of US 2 cents per share, subject to the necessary shareholder approval at the Annual General Meeting.

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

23. DIVIDENDS

Accounting policy
Dividends are recognized as a liability in the period they are declared according to International Accounting Standard 10.

During the period ended 30 September 2023, the Company declared and paid a final dividend of US 4.0 cents per share in respect of the financial year ended 30 September 2022. In addition, an interim dividend of US 3.0 cents per share was declared and paid in respect of the financial year ended 30 September 2023.

During the period ended 30 September 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. In addition, an interim dividend of US 3.0 cents per share was declared and paid in respect of the financial year ended 30 September 2022.

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CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

Executive directors
Loucas Pouroulis (85) Chairman
Appointed: 27 October 2010 Mining and Metallurgical Engineering (Hons) (National Technical University, Athens, Greece)

Loucas Pouroulis is the Executive Chairman of the Group, with the responsibility of developing strategy and identifying new opportunities for the Group. He began his career in Cyprus in 1962, and his initial postgraduate training took place in Germany, Sweden and Cyprus. Loucas is trained as a mining and metallurgical engineer and has more than 60 years' experience in mining exploration, project management, financing and production in open-pit and underground mining operations, including PGM and gold mines. He immigrated to South Africa in 1964 and then joined Anglo American, where he rose rapidly through the management ranks and received extensive training and experience. In 1971, Loucas began to pursue his own mining interests, initially focusing on gold mining opportunities that were considered uneconomical by the majors. By the 1990s, he had established Petra Diamonds and, since 2000, has established Eland Platinum, Tharisa, Kameni, Keaton Energy, Salene Chrome and the Karo Mining Group.

Phoevos Pouroulis (49) Chief Executive Officer (CEO)
Appointed: 27 October 2010 Bachelor of Science and Business Administration (Boston University, USA)

Phoevos Pouroulis is the Chief Executive Officer of the Group, with responsibility for overall strategy and management. Phoevos has held various senior managerial and operational positions in his career spanning more than 20 years. He has extensive experience in project management, mining design, commissioning and mining operations, including coal, chrome and PGM mines, having been involved in South Africa's mining industry since 2003. He has served as Commercial Director for Chromex Mining and was a founding member of Keaton Energy. Phoevos currently serves on the board of the World Platinum Investment Council.

Michael Jones (61) Chief Finance Officer (CFO)
Appointed: 30 January 2013 Bachelor of Accounting (University of KwaZulu-Natal, Pietermaritzburg, South Africa); CA (SA); Member of the South African Institute of Chartered Accountants

Michael Jones is the Chief Finance Officer of the Group and responsible for the overall financial operation, funding and financial reporting management of the Group. Michael has more than 12 years' executive financial management experience in the mining sector. In addition, he has over 20 years' experience in investment banking, focusing on mergers and acquisitions and capital raising of both equity and debt.

Independent non-executive directors
Carol Bell (65) Lead Independent director from 1 October 2021
Appointed: 22 March 2016 Master of Arts in Natural Sciences (University of Cambridge); PhD Archaeology (University College, London)

Carol Bell has more than 40 years' experience in the energy and allied industries, including a successful career as a Managing Director of Chase Manhattan Bank's Global Oil & Gas Group, Head of European Equity Research at JP Morgan and several years as an equity research analyst in the oil and gas sector at Credit Suisse First Boston and UBS Phillips & Drew. Carol began her career in corporate planning and business development at Charterhouse Petroleum and RTZ Oil and Gas. She has broad public company experience, currently serves on the Bonheur board and is also a non-executive director of the BlackRock Energy and Resources Income Trust. Carol also serves on the Board of the Development Bank of Wales and The Football Association of Wales and is one of the founder-directors of Chapter Zero, a network for non-executive directors to engage with climate risk. She is also vice-president of the National Museum of Wales, vice-chair of the Wales Millennium Centre, Senior Independent Director of the National Physical Laboratory and Treasurer of the Institute for Archaeo-metallurgical Studies.

David Salter (65) Independent non-executive director
Appointed: 27 October 2010 Bachelor of Science Engineering (Hons); PhD in Mineral Technology (Imperial College, London); Fellow of the South African Institute of Mining and Metallurgy (FSAIMM)

David Salter has more than 30 years' experience in developing and managing mining companies, including open-pit and underground PGM mining operations. David's most recent public company roles were Chairman of Keaton Energy until its sale to Wescoal in 2017 and Managing Director of Eland Platinum until its sale to Xstrata in 2007. He serves on the board of Sirius Finance (Cyprus) Limited and is a non-executive director of a number of unlisted companies in the mining, property and agricultural sectors.

Antonios Djakouris (76) Independent non-executive director
Appointed: 11 October 2011 Chartered Accountant and Fellow of the Institute of Chartered Accountants in England and Wales

Antonios Djakouris is a qualified Chartered Accountant and has over 30 years' experience as a manager and director, having served in the accounting profession and in a number of posts with the Bank of Cyprus, including internal audit, credit review and retail banking, and as Group General Manager in charge of operations. From 2003 to 2009, he directed the Bank of Cyprus group's overseas operations, including banks in the United Kingdom, Australia, Russia, Romania and Ukraine. Antonios currently serves in an honorary capacity on the Board and Executive Committee of the Cyprus Anti-Cancer Society, one of the largest charities in Cyprus. Antonios will retire at the next Annual General Meeting and will not stand for re-election.

Omar Kamal (51) Independent non-executive director
Appointed: 11 June 2014 Bachelor in Economics and Political Science (University of Jordan); PhD in Management (Finance and Banking) (Coventry University in collaboration with Harvard Islamic Finance Programme at Harvard University)

Omar Kamal has more than 28 years' international experience in banking, investment management, strategic advisory services and high-growth entrepreneurship. He has served at high-growth companies and multibillion-dollar corporates in various executive capacities. Until August 2015, he was the co-Group CEO of a business group owned by a prominent family with global reach based in Geneva, Switzerland. Prior to that, he was one of the initial founders and acted as the CIO of a regional bank in the Middle East and, before that, was a partner with Ernst & Young on the advisory and consulting side. Omar continues to serve on the boards of a number of listed and unlisted companies, among others, Cambridge Scientific Innovation (CSI), Cybsafe, Crowdemotion, Quiqup and Arab Bank Switzerland as Chairman of the Fintech Committee. In the same context, Omar makes a personal strategic contribution toward digital innovation and transformation. Omar is a member of the Young President Organisation (YPO) and a Learning Chair of the London Stars Chapter in the UK.

Roger Davey (78) Independent non-executive director
Appointed: 1 June 2017 Master of Science in Mineral Production Management (Royal School of Mines, Imperial College, London); Master of Science in Water Resource Management and Water Environment (Bournemouth University); Associate of the Camborne School of Mines (ACSM); Chartered Engineer; European Engineer; Member of the Institute of Materials, Minerals and Mining (IMMM).

Roger Davey, a British national, has more than 40 years' operational experience at a senior management and director level in the mining industry in South America, Africa and Europe. His experience at senior management level includes financing, feasibility studies, construction, development, commissioning and operational management of both underground and surface mining operations in gold and base metals. Previous positions include being the Senior Mining Engineer at NM Rothschild (London) (1998 to 2010) in the Mining and Metals project finance team, where he was responsible for the assessment of the technical risk associated with current and prospective project loans Director, vice-president and General Manager of Minorco (AngloGold) subsidiaries in Argentina (1994 to 1997), where he was responsible for the development of the Cerro Vanguardia open-pit gold-silver mine in Patagonia, Operations Director of Greenwich Resources plc, London (1984 to 1992), with gold interests in Sudan, Egypt and Australia Production Manager for Blue Circle Industries in Chile (1979 to 1984) and various production roles from graduate trainee to mine manager, in Gold Fields of South Africa (1971 to 1978). Roger serves on several boards, including Atalaya Mining Plc, Central Asia Metals plc and Highfield Resources Limited.

Non-executive directors
Shelley Wai Man Lo (48) Non-executive director
Appointed: 10 February 2021 Bachelor of Economics (University of Hong Kong)

Shelley Wai Man Lo, a Chinese National and representative of Rance Holdings, has more than 20 years' experience in accounting, project investment and management in the infrastructure business in Hong Kong and mainland China. She is the General Manager of Roads of NWS Holdings Limited. Before joining the NWS group, she worked in the audit department of Deloitte, Hong Kong. Shelley is a member of both the Hong Kong and American Institutes of Certified Public Accountants.

Zhong Liang Hong (60) Non-executive director
Appointed: 1 April 2018 Resigned: 30 September 2023 Bachelor (Ferrous Metallurgy) (Shanghai Metallurgy Technology Academy)

Zhong Liang Hong is a Chinese national with 35 years' experience in commodity trading. Representing Fujian Wuhang Stainless Steel Co. Limited and Huachuang Singapore Pte Limited. He has a strong understanding of analysis and forecasting of commodity markets and end-user demand. He started his career in 1980 at the Baosteel Group. In 2001, he founded Shanghai Hongli Metal Material Co. Limited and remains the Chairman of this company. In 2002, he expanded his business to import manganese into China and became the sole manganese agent in China acting for BHP Billiton.

Hao Chen (40) Non-executive director
Appointed: 1 October 2023 Bachelor (Micro-electronics) (Fudan University, Shanghai, China)

Hao Chen holds a bachelor's degree in Micro-electronics from Fudan University, Shanghai, China. He has more than 18 years' experience as an Engineer, Foreign Trade Manager and General Manager. He has been the General Manager at Fujian Liju Logistics Company in China since September 2014. Prior to this position, he had been a Foreign Trade Manager at Guangxi Shenglong Metallurgy Co. Ltd., China between December 2013 and August 2014, and an Engineer at APEX Information Services in the USA from August 2012 to November 2013. He had also held the position of Engineer at Calvin Wireless, New York, USA between February 2012 and July 2012. Between August 2006 and January 2012, he had held two Research Assistant positions, the first at the University of Viginia, USA (August 2006 to December 2009) and at the Tandon School of Engineering, at the University of New York, USA (January 2010 to January 2012). Following his graduation in July 2005, he had worked as Experimental Technician at the Shanghai Institute of Microsystem and Information Technology at the Chinese Academy of Sciences until July 2006.

CORPORATE GOVERNANCE REPORT

Introduction

Tharisa is incorporated in Cyprus and is subject to Cyprus Companies Law. With a primary listing on the JSE under the general mining sector, Tharisa is subject to the JSE Listings Requirements and the requirements of the South African Code of Corporate Practices and Conduct laid out in King IV. Tharisa also has a secondary standard listing of its depositary interests on the London Stock Exchange (LSE) and is subject to the LSE Listing Rules and Disclosure and Transparency Rules applicable to a secondary standard listing. In addition, Tharisa is listed on the A2X Exchange in South Africa with effect from 6 February 2019. Tharisa's primary listing on the JSE and secondary standard listing on the main board of the LSE remains unaffected by the secondary listing on A2X. The A2X is a licensed stock exchange authorised to provide a secondary listing venue for companies and is regulated by the South African Financial Sector Conduct Authority in terms of the Financial Markets Act 19 of 2012. The listing on A2X provides an opportunity to improve liquidity and attract new investors through the lower trading costs offered by this trading platform. There are no additional regulatory requirements or ongoing obligations to comply with.

The Company has its registered office in Cyprus and is subject to Cyprus disclosure and transparency legislation, Cyprus market abuse legislation, and the European Commission Market Abuse Regulation EU596/2014, and for such purposes considers Cyprus as its home state, where such term requires interpretation. The LSE Listing Rules invoke the application of certain provisions of the UK Disclosure and Transparency Rules where similar provisions do not exist under the national law of its home state. The Company considers that the requirements under the UK Disclosure and Transparency Rules are met under corresponding national law, but nonetheless the Company aims to apply the relevant UK Disclosure and Transparency Rules applicable to the Company in circumstances where there may be a deemed discrepancy. For the purposes of the present corporate governance report, a reference to Disclosure and Transparency Rules shall be a joint reference to applicable UK and Cyprus transparency rules. While the UK Corporate Governance Code published by the Financial Reporting Council does not apply to the Company, the Board recognises the importance of good governance and considers the principles and recommendations contained therein.

The Board is fully committed to accountability, integrity, fairness, transparency and integrated thinking, which are essential to the Group's long-term sustainability and its ongoing ability to create value for investors and other stakeholders. It endorses and accepts full responsibility for applying the principles necessary to ensure that effective corporate governance is practised consistently throughout the Group.

In discharging this responsibility, the Board strives to comply with the requirements set out in King IV.

The Board believes that the Company complies with the Cyprus Companies Law and the Company's Articles of Association.

In terms of King IV, independent non-executive directors serving for more than nine years are subject to a rigorous annual review by the Board to evaluate their continued independence. Having served for more than nine years, David Salter and Antonios Djakouris' independence was considered and assessed by the Board during the year under review. In doing so, the Board considered and assessed the presence or absence of any interest, position, association, or relationship that could potentially influence or cause bias in their decision-making process and concluded that it was satisfied that there were no such factors present that impaired David Salter and Antonios Djakouris' independence. Both David Salter and Antonios Djakouris continued to bring an independent and objective view and unfettered judgement distinct from that of shareholders and management and continue to be classified as independent non-executive directors.

The Board also believes that the Company is compliant with the JSE Listings Requirements and King IV in all material respects, other than having an Executive Chairman, which has been mitigated by the appointment of the Lead Independent Director.

Board composition
Executive directors
Loucas Pouroulis (Executive Chairman)
Phoevos Pouroulis (CEO)
Michael Jones (CFO)
Independent non-executive directors
Carol Bell (Lead Independent Director)
David Salter
Antonios Djakouris
Omar Kamal
Roger Davey
Non-executive directors
Shelley Wai Man Lo
Zhong Liang Hong (Resigned with effect 30 September 2023)
Hao Chen (Appointed with effect 1 October 2023)

CORPORATE GOVERNANCE REPORT

The Company has a unitary board which leads and controls the Company. It comprises three executive directors and seven non-executive directors. Five of the seven non-executive directors are independent.

The Board is structured so that there is a clear balance of authority, ensuring that no one director has unfettered powers. The size of the Board is regulated by the Company's Articles of Association and directors are appointed through a formal process.

The Nomination Committee identifies suitable candidates for appointment as directors. Directors are required to be individuals of calibre and credibility with the necessary skills and experience to bring judgement, independent of management, on issues of strategy, performance, resources, diversity, standards of conduct, and evaluation of performance. Merit, commitment, integrity and diversity are the core considerations in ensuring that the Board and its committees have an appropriate blend and balance of perspectives, knowledge, and experience to discharge their duties effectively and competently, having regard to the strategic direction of the Group.

Board diversity

The Nomination Committee reviews and assesses the Board's size, structure, and composition on an ongoing basis to ensure it is appropriately diversified.

This assessment takes into consideration that the perspective of Board members is influenced by a combination of three different sets of attributes:

- experiential attributes such as skills, education, functional experience, industry experience and accomplishments
- demographic attributes such as gender, race, ethnicity, culture, religion, generational cohort and
- personal attributes such as personality, interests and values. The Board recognises that having a blend of attributes across all facets of diversity will lead to more thorough and robust decision-making processes and direction and therefore strives to ensure its diverse composition.

Acknowledging the benefits that can be achieved through diversity, and specifically the meaningful participation of women who possess the appropriate skills and experience as members of the Board, the Board will continue to focus on the long-term goal of improving gender representation at Board level. At present, the two female directors represent 20% of the total number of directors and 29% of the non-executive directors.

Similarly, recognising the value of age and ethnic and cultural diversity at Board level, the Board encourages the inclusion and consideration of prospective candidates' backgrounds and a range of suitable skills based on merit and against objective criteria, and with due regard for the benefits of diversity on the Board.

In compliance with King IV, the JSE Listings Requirements and international best practice, the Nomination Committee and Board have adopted a Board-level diversity policy, without introducing voluntary targets with regard to gender and racial diversification of the Board. The Nomination Committee and the Board are committed to maintaining a diverse Board of Directors with appropriate skills, without setting numerical targets. When undertaking searches for new Board members, diversity and inclusion are key considerations within these processes, alongside recruiting for skills and experience relevant to governing the Company effectively. The Board will also pursue opportunities to increase the number of female and racially and ethnically diverse Board members over time, provided that it is consistent with the skills and diversity requirements of the Board.

The Nomination Committee also considers the relationship between executive and non-executive directors during the assessment process. The Board believes there is an appropriate balance between executive and non-executive directors. The Board is satisfied that the current members of the Board collectively possess the skills, knowledge, and experience required to discharge the responsibilities of the Board effectively to achieve the Group's objectives, promote shareholder interests, and to create value for stakeholders over the long term.

Roles and responsibilities of the Board

The Board is the ultimate governing authority, responsible for the Company's strategy, key policies, ethics, and corporate governance, as well as approving the Company's financial objectives and targets, and its approach to environmental stewardship. The Board recognises that strategy, performance, risk, and sustainability are inseparable, and that the execution of strategy can have a material impact on the Company's value creation and its various stakeholders. The Board is fundamentally important to the achievement of the Company's mission and financial objectives, and the sustainable fulfilment of its corporate responsibilities. It provides effective leadership on an ethical foundation.

The Board is the ultimate custodian of the governance framework, which commits the Company and its representatives to act according to the highest standards of fairness, accountability, responsibility, transparency, ethics, and sustainability. The Company's approach to corporate governance strives to be stakeholder-inclusive and based on good communication. This approach has been integrated into every aspect of the Company's business.

The Board ensures that the Group is, and is seen to be, a responsible corporate citizen by having regard not only for the financial aspects of the business of the Group but also the impact that the business operations have on the environment and the society in which it operates. In recognition of the importance of this aspect of the Group's business, the Board has established a Climate Change and Sustainability Committee.

The Board has adopted a Board Charter setting out the role, functions, obligations, rights, responsibilities and powers of the Board, and the policies and practices of the Board in respect of its duties, functions, and responsibilities. The Board has also adopted terms of reference for each of its committees. The Board Charter and terms of reference of all board committees are available on the Company's website.

The directors who are also members of the Executive Committee of the Company are involved in the day-to-day business activities of the Company and are responsible for ensuring that the decisions of the Executive Committee, as approved by the Board, are implemented in accordance with the mandate given by the Board and Executive Committee.

The Board is satisfied that the approved delegation of authority framework contributes to role clarity and the effective exercise of responsibilities.

All non-executive directors have unrestricted access to the Chairman, management, the Group Company Secretary, the Assistant Company Secretary, and the external and internal auditors.

The Board considers and satisfies itself, on an annual basis, of the qualifications, experience, and arm's length relationship between the Company Secretaries and the Board.

Board meetings are held regularly, at least quarterly, and all directors participate in the critical areas of decision making.

Role of the Executive Chairman

There is a clear distinction between the roles of the Executive Chairman and the CEO. The Executive Chairman is responsible for ensuring the integrity and effectiveness of the Board and its committees, which includes:

- providing overall leadership to the Board, without limiting the principle of collective responsibility for Board decisions;
- participating in the selection of Board members and overseeing a formal succession plan for the Board and certain senior management appointments;
- encouraging collegiality among Board members and management while at the same time maintaining an arm's length relationship;
- mentoring to enhance directors' confidence, especially new or inexperienced directors, and encouraging them to contribute at meetings actively;
- contributing to the Board's strategic vision by fostering an entrepreneurial mindset, identifying new opportunities and promoting creative problem solving; and
- applying entrepreneurial principles to optimise resources and growth.

The non-executive directors appraise the Chairman's performance on an annual basis, or such other basis as the Board may determine.

Role of the CEO

The Board's authority conferred on management is delegated through the CEO and the authority and accountability of management is accordingly considered to be the authority and accountability of the CEO.

The CEO provides executive leadership and is accountable to the Board for the implementation of strategies, objectives, and decisions within the framework of the delegated authorities, values, and policies of the Company, which include:

- recommending or appointing the executive members and ensuring proper succession planning and performance appraisals;
- developing the Company's strategy and vision for Board consideration and approval;
- developing and recommending annual business plans and budgets that support the Company's long-term strategy to the Board;
- monitoring and reporting to the Board on performance against and conforming with strategic imperatives;
- ensuring that the Company has appropriate management structures and a management team to effectively carry out the Company's objectives, strategy, and business plans;
- ensuring that the assets of the Company are properly maintained and safeguarded, and not unnecessarily placed at risk;
- setting the tone from the top in providing ethical leadership and creating an ethical environment and not causing or permitting any decision or internal or external practice or activity by the Company that may be contrary to commonly accepted business practice, good corporate governance, or professional ethics; and
- acting as the chief spokesperson of the Company.

The non-executive directors monitor and evaluate the CEO in achieving the approved targets and objectives. The Remuneration Committee considers the results of such evaluation to guide it in its appraisal of the performance and remuneration of the CEO.

Role of the Lead Independent Director

The Lead Independent Director:

- chairs the Nomination Committee and is a member of all other Board committees;
- presides over meetings of the Board and meetings of shareholders if required;
- facilitates meetings of the non-executive directors;
- acts as facilitator at Board meetings to ensure that no director, or group of directors, dominate the discussion, that sufficient debate takes place, that the opinions of all directors relevant to the subject under discussion are solicited and expressed freely, that conflicts of interests are managed and that Board discussions lead to appropriate decisions;
- acts as a sounding board to the Executive Chairman and the CEO;
- leads the non-executive directors in the appraisal of the Executive Chairman and CEO ;
- provides leadership and advice to the Board when the Executive Chairman has a conflict of interest, without detracting from the authority of the Executive Chairman; and
- acts as an intermediary for the other Board members and shareholders about concerns that have not been resolved through the normal channels.

Role of the non-executive directors

The role of non-executive directors is to bring independent judgement and challenge executive directors constructively, without becoming involved in the day-to-day running of the business.

The key responsibilities of non-executive directors include oversight of the Board on issues relating to:

- strategic direction, by providing an objective, informed, and creative insight based on their own experience, to act as a constructive critic in assessing the strategic objectives devised by the CEO and to ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
- monitoring performance of executive management with regard to the progress made towards achieving the Company's strategy and objectives and, in doing so, playing an important role in key executive appointments, removals where necessary, and succession planning;
- remuneration, through the work of the Remuneration Committee, by objectively and independently determining appropriate levels of remuneration of executive directors;
- risk and strategic risk in particular, through the work of the Risk Committee, by reviewing the risk philosophy, strategy, and policies as recommended by executive management and ensuring compliance with such policies, and with the overall risk profile of the Company;
- integrity of financial information, through the work of the Audit Committee, by ensuring that the Company accounts properly to its shareholders by presenting an accurate and fair reflection of its actions and financial performance and that the necessary internal control systems are implemented and monitored regularly; and
- standards of conduct of the Board and executive management.

Tharisa's non-executive directors bring diverse experience and expertise to the Board. They are required to have a clear understanding of the Group's strategy and must be sufficiently familiar with the Group's businesses to be effective contributors to the development of the Group's strategy and the identification and monitoring of risks faced by the Group. Non-executive directors must have sufficient time to perform their duties as directors and make a meaningful contribution. They should be prepared to challenge executive directors' opinions and provide fresh insight into the Group's strategic direction. Non-executive directors assess the performance of the Executive Chairman and CEO and serve on various Board committees. Non-executive directors have a standing invitation to meet without the presence of the executive directors after every board meeting or when required.

Board appointments

The Company's shareholders appoint members of the Board. The Board also has the power to appoint directors, subject to such appointments being approved by shareholders at the next annual general meeting (AGM) following such appointment. In compliance with the JSE Listings Requirements, shareholders may not consent in writing to the appointment of directors. Pursuant to the terms of the Board Charter, appointments to the Board are made on the recommendation of the Nomination Committee. A formal policy detailing the procedures for appointments to the Board has been adopted by the Company.

Non-executive directors are required to be individuals of calibre and credibility, be independent of management, and possess the necessary skills and expertise to bring judgement to bear on issues of strategy, performance, resources, diversity, standards of conduct, and evaluation of performance.

Directors are required to conduct themselves in a professional manner at all times, having due regard for their fiduciary duties and responsibilities to the Company and ensuring that sufficient time is made available to devote to their duties as Board members. Directors are further required to be diligent in discharging their duties to the Company, seek to acquire sufficient knowledge of the business of the Company, and endeavour to keep abreast of changes and trends in the business environment and markets in which the Company operates, in order to be able to provide meaningful direction to the Company's business activities and operations.

Director induction

Upon appointment, all new directors are provided with induction materials to familiarise them with the Group's operations, business environment and executive management and induct them in their fiduciary duties and responsibilities. The induction programme involves an information pack comprising, inter alia, the Group structure, a list of the top shareholders, Board packs and minutes of previous Board meetings, annual and interim reports, Articles of Association, the Board Charter, committee terms of reference, information on directors' and officers' insurance, a guide to the JSE Listings Requirements, and a memorandum on dealings in securities, market abuse and insider trading. Periodic site visits are arranged for existing and new non-executive directors to improve their understanding of the Group's operations.

Retirement by rotation and re-election of directors

In terms of the Company's Articles of Association, any directors appointed by the Board during the course of the financial year shall hold office only until the next AGM of the Company following their appointment and shall then retire and be eligible for election.

In accordance with the Company's Articles of Association, one-third of non-executive directors must retire from office at each AGM. Executive directors are not subject to retirement by rotation. The non-executive directors retiring at each AGM are those directors who have been the longest serving since their last election. Retiring directors are eligible for re-election and, if so re-elected, are deemed not to have vacated their office. Hao Chen, having been appointed with effect 1 October 2023, will retire at the next AGM and will be eligible for election. Shelley Lo will be retiring by rotation at the upcoming AGM and has made herself available for re-election. Antonios Djakouris will be retiring by rotation at the upcoming AGM and will not be available for re-election. The Board thanks Antonios for his outstanding service over the past 12 years.

Board support for election or re-election is not automatic. The Nomination Committee assesses the composition of the Board and the performance of individual Board members on an annual basis prior to recommending any directors for election or re-election by shareholders at the AGM. Upon recommendation by the Nomination Committee, the Board decides whether it will endorse a director standing for election or re-election. Having assessed the performance of the directors standing for election, it is the recommendation of the Board that Hao Chen be elected, and that Shelley Lo be re-elected.

Board meetings

The Board meets formally at least four times per year and at such other times as may be required. The Board met four times during the year under review. In addition, four informal mid-cycle briefing calls were held during the period.

CORPORATE GOVERNANCE REPORT

Key focus areas and decisions of the Board during FY2023

In addition to the standard agenda items such as feedback by the chairmen of the various board committees on the key deliberations and activities of those committees, consideration of detailed reports on the operational and financial performance of the Group, climate change and sustainability, investor relations, and legal and governance matters. The Board deliberated on the following key areas during the year under review:

Q1 FY2023	Q2 FY2023	Q3 FY2023	Q4 FY2023
• Approved the FY2022 annual financial results • Approved the FY2022 Annual Report • Proposed a final cash dividend of US 5.0 cents per ordinary share • Considered and agreed to support the re-election of the directors retiring by rotation at the AGM • Discussed the market context in which the Group operates • Considered and discussed the top strategic risks facing the Group • Considered the progress of the Karo Project and its funding requirements • Considered the Company's production guidance for FY2024 • Issued and listed a US dollar denominated bond on the Victoria Falls Stock Exchange by Karo Mining Holdings as part of the fundraising for the Karo Project, raising US$36.4 million in total	• Held the Company's third virtual AGM • Considered and discussed the various research and development projects being undertaken by the Group's research and development arm • Considered the operating and market context within which the Group operates • Considered and discussed the top strategic risks facing the Group • Considered management's succession plan and new senior appointments • Discussed risk considerations as a consequence of the Russia/Ukraine conflict and mitigating actions being taken by management	• Considered the operating and market context within which the Group operates • Considered the progress of the Karo Project and its funding requirements • Considered the top strategic risks facing the Group • Considered various challenges facing the Group, including the impact of wet weather on waste stripping, above inflationary escalation of costs and the impact of internal South African issues related to loadshedding, transport of goods, crime and South Africa's grey listing on the economy • Considered reputational risk matters • Considered and approved the Group's interim financial results for FY2023 • Declared an interim dividend of US 3.0 cents per share	• Considered and agreed on the Nomination Committee's assessment of the independence of non-executive directors • Performed the annual assessment of the independence of non-executive directors with a tenure longer than nine years • Considered Board succession planning • Considered and approved the recommendations by the Remuneration Committee on executive remuneration • Considered implementation of the Group's Vision 2025 strategy • Considered the Company's production guidance for FY2024 • Interrogated and approved the FY2024 budget • Considered the progress of the Karo Project and its funding requirements • Considered the top strategic risks facing the Group • Considered reputational risk matters

Key focus areas for FY2024

- Board succession planning;
- Continue implementation of Vision 2025 strategy;
- Continue development of the Karo Project;
- Monitor continued optimisation of existing operations; and
- Continue striving to be the investment of choice.

Board committees

Certain responsibilities are reserved for the Board, while others are delegated to Board committees, each with formal mandates and terms of reference, without reducing the individual and collective responsibilities of Board members' overall fiduciary duties and responsibilities. The terms of reference of each Board committee determines, inter alia, the composition, purpose, scope of mandate, and powers and duties of the committee. Board committees provide feedback to the Board through reports by their respective chairmen and provide the Board with copies of minutes of committee meetings. All directors receive notice and packs for committee meetings and are encouraged to join meetings of Board committees of which they are not members. Terms of reference of the various committees are compliant with the provisions of the Company's Articles of Association and the JSE Listings Requirements. The terms of reference are reviewed on a regular basis and are available on the Company's website. All committees have satisfied their responsibilities in compliance with their respective terms of reference during the year under review.

The Company's Board committees during the year were constituted as follows:

	Chairman	Members	By standing invitation
Audit Committee	Antonios Djakouris	David Salter Carol Bell Omar Kamal	CFO CEO Group Head of Internal Audit
Risk Committee	Antonios Djakouris	Loucas Pouroulis Phoevos Pouroulis Michael Jones Carol Bell David Salter Omar Kamal Roger Davey Zhong Liang Hong Shelley Wai Man Lo	Chief Operation Officer (COO) Group Executive: Legal Chief Technical Officer (CTO) Group Head of Internal Audit
Nomination Committee	Carol Bell	Loucas Pouroulis David Salter Antonios Djakouris	CEO
Remuneration Committee	Carol Bell	David Salter Antonios Djakouris Roger Davey	CEO CFO
Safety, Health and Environment Committee	David Salter	Carol Bell Antonios Djakouris Roger Davey	CEO COO CTO
Social and Ethics Committee	David Salter	Carol Bell Antonios Djakouris Omar Kamal Phoevos Pouroulis	
New Business Committee	Roger Davey	David Salter Carol Bell Loucas Pouroulis Phoevos Pouroulis	CFO COO Group Executive: Legal CTO
Climate Change and Sustainability Committee	Carol Bell	Loucas Pouroulis Phoevos Pouroulis Michael Jones David Salter Antonios Djakouris Omar Kamal Roger Davey Zhong Liang Hong Shelley Wai Man Lo	COO Group Executive: Legal CTO Group ESG Manager

Audit Committee

The Audit Committee, which must comprise at least three independent non-executive directors, is chaired by Antonios Djakouris, an independent non-executive director. Other members of the committee are David Salter, Omar Kamal, and Carol Bell, all independent non-executive directors. The Board is satisfied that the committee's members have the appropriate mix of qualifications and experience to fulfil their responsibilities appropriately. The Group's independent external auditor, Group Head of Internal Audit, CFO, and CEO attend committee meetings by invitation. The committee meets with the external auditor and Group Head of Internal Audit, without any executive directors being present, whenever necessary.

Both the Group Head of internal audit and external auditors have unrestricted access to the chairman of the committee and the Lead Independent Director.

The Audit Committee provides the Board with additional assurance regarding the quality and reliability of financial information used by the Board and the financial statements of the Group. The committee reviews the internal and financial control systems, accounting systems, and reporting and internal audit functions. It liaises with the Group's external auditor and monitors compliance with legal requirements.

Furthermore, the Audit Committee assesses the performance of financial management, approves external audit fees and budgets, monitors non-audit services provided by the external auditor against an approved policy, and ensures that management addresses any identified internal control weakness. In addition, the committee oversees the integrated reporting process, risk management systems, information technology risks (as they relate to financial reporting), the Group's whistleblowing arrangements, and policies and procedures for preventing corrupt behaviour and detecting fraud and bribery.

In terms of the Audit Committee's oversight role in the integrated reporting process, it considers all factors and risks that may impact the integrity of the integrated report. In this regard, the committee considers and reviews the findings and recommendations of the Risk, Safety, Health and Environment, and Climate Change and Sustainability Committees insofar as they are relevant to the functions of the Audit Committee. The committee also reviews and evaluates the disclosure of material sustainability issues in the integrated report, in conjunction with the Risk, Safety, Health and Environment, and Climate Change and Sustainability Committees, with specific focus on ensuring that the disclosure is reliable and does not conflict with the financial information. It recommends and/or approves the engagement of external assurance providers on material sustainability issues and ensures that the appropriate measures of progress toward achieving disclosed climate change risk mitigation actions are included in the integrated report disclosures.

The committee has unrestricted access to all Company and Group information and may seek information from any employee. The committee may also consult external professional advisers in executing its duties.

The chairman of the Audit Committee is required to report to the Board after each meeting of the committee and the minutes of meetings of the Audit Committee are provided to the Board.

The appropriateness of the expertise and experience of the CFO is considered on an annual basis and the committee is satisfied with the appropriateness of the expertise of Michael Jones, the CFO.

The Audit Committee meets as often as is deemed necessary but is required to meet at least twice a year. The committee met four times during the year under review.

Risk Committee

Control of the complete process of risk management, the evaluation of its effectiveness and approval of recommended risk management and internal control strategies, systems, and procedures are key Board responsibilities. For this reason, the Risk Committee comprises the entire Board. The Risk Committee is chaired by Antonios Djakouris. Risk Committee meetings are attended by the COO, Group Executive: Legal, Chief Technical Officer (CTO), and Group Head of Internal Audit by invitation.

The Risk Committee reviews management reports on the adequacy and effectiveness of the Group's operational risk management functions, ensures compliance with the Group's risk management policies, and reviews the adequacy of the Group's insurance coverage.

During the year under review, in-depth risk reviews were undertaken at operating subsidiary and business unit level throughout the Tharisa Group. The committee conducted a high-level review of the residual risks identified by management during these reviews. It continues to monitor progress made by risk owners in identifying mitigating factors, performing gap analyses, and implementing additional mitigating measures where required. In addition, the committee identifies, reviews and evaluates non-operational and strategic risks impacting the Company and the Group on an ongoing basis. The Risk Committee meets as often as is deemed necessary and met twice during the year under review.

Nomination Committee

During the year under review, the Nomination Committee was chaired by Carol Bell in her capacity as the Lead Independent Director. Other members of the Nomination Committee were David Salter and Antonios Djakouris, independent non-executive directors, and Loucas Pouroulis, the Executive Chairman. Loucas Pouroulis is entitled to participate and contribute to the Nomination Committee but is not entitled to vote on any matter before the Nomination Committee. In the event of a tied vote, the chairman of the committee has a casting vote. The CEO attends meetings by invitation if required.

The Nomination Committee ensures that the procedures for appointments to the Board are formal and transparent by making recommendations to the Board on all new Board appointments in accordance with the Company's policy for Board appointments. It does so by evaluating the Board performance, undertaking performance appraisals of the executive and non-executive directors, evaluating the effectiveness of Board committees, and making recommendations to the Board. The Nomination Committee also considers and approves the Board succession plans.

The work of the Nomination Committee during the year followed both its terms of reference and established good practice in corporate governance. The committee conducted a review of the structure, size, and composition of the Board, with specific emphasis on skills, knowledge, independence, and diversity of the Board members. During the period under review, the committee considered the independence of non-executive directors. Consideration was given, among others, as to whether the individual non-executive directors are sufficiently independent of the Company to effectively carry out their responsibilities as directors, whether they are independent in judgement and character, and that there are no conflicts of interest in the form of contracts, relationships, shareholding, remuneration, employment, or related-party disclosures that could affect their independence. The committee determined that David Salter, Antonios Djakouris, Omar Kamal, Carol Bell, and Roger Davey are independent. Zhong Liang Hong and Shelley Wai Man Lo are not considered independent due to their association with significant shareholders. The Nomination Committee met formally once during the year under review.

Remuneration Committee

All members of the Remuneration Committee are independent non-executive directors. During the year under review, the committee was chaired by Carol Bell, and the other committee members were David Salter, Antonios Djakouris, and Roger Davey. The CEO and CFO are invited to attend committee meetings to make presentations, except when their remuneration is under consideration.

The Remuneration Committee considers the remuneration framework of the Executive Chairman, CEO, CFO, and other members of the executive management of the Company and its subsidiaries, regarding local and international benchmarks. As far as the remuneration of the Executive Chairman and the CEO is concerned, the committee considers and if appropriate, recommends the remuneration of the Executive Chairman and the CEO to the Board for final approval.

The committee also considers bonuses, which are discretionary and based upon general economic variables, the performance of the Company and each individual's performance against personalised key performance indicators, allocations in terms of the Group's incentive schemes, and certain other employee benefits and schemes.

During the year, the committee reviewed various aspects of the Group's remuneration structure, including executive salaries, both short-term and long-term performance-based remuneration schemes and annual cost of living adjustments. Following its work around the methodology for setting appropriate salary levels for the executive team with Korn Ferry through benchmarking executive remuneration packages against an appropriate peer group and the median of a mining industry group developed by Korn Ferry, the committee was satisfied that it had developed a satisfactory method to ensure that the executive team was being fairly remunerated compared to the peer group.

The Committee also considered and approved an interim relief measure proposed by the executive team in light of the financial pressure placed on employees due to fuel and food inflation. In terms of the interim relief measure, all employees on Patterson Grades up to and including E5 had been granted either a provident fund payment holiday or additional bonuses paid for [three] months depending on where the employees are located, the cost of the contributions being covered by the employer companies.

The committee met formally twice during the year under review.

Safety, Health and Environment Committee

All members of the committee are independent non-executive directors. The committee is chaired by David Salter and other members are Antonios Djakouris, Carol Bell, and Roger Davey. The CEO and COO attend the meeting by invitation.

The Safety, Health and Environment Committee develops and reviews the Group's framework, policies and guidelines on safety, health, and environmental management, monitors key indicators on accidents and incidents, and considers developments in relevant safety, health, and environmental practices and regulations.

The committee met four times during the year under review.

Social and Ethics Committee

As required by the JSE Listings Requirements, the Board established a Social and Ethics Committee. The committee is chaired by David Salter and other members are Antonios Djakouris, Omar Kamal, Carol Bell, and Phoevos Pouroulis.

The committee's objective is, inter alia, to assist the Board in ensuring that the Company and other entities in the Group remain committed, socially responsible corporate citizens by creating a sustainable business and regard for the Company's economic, social, and environmental impact on the communities in which it operates. This includes, among others, public safety, HIV/Aids, environmental management, corporate social investment, consumer relationships, labour and employment, the promotion of equality, and ethics management.

The committee has an independent role with accountability to both the Board and the Company's shareholders. The committee does not assume the functions of management of the Company. These functions remain the responsibility of the Company's executive directors, executive management, and senior managers.

It is the committee's responsibility to monitor the Group's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to, among others, the following:

I. Social and economic development, focusing on the Company's standing in terms of the goals and purposes of the 10 United Nations Global Compact Principles, among others:
- upholding and respecting human rights;
- upholding fair labour practices, which include the freedom of association, the right to collective bargaining, and the elimination of forced labour, child labour, and discrimination;
- upholding the promotion of greater responsibility toward the environment • upholding the prevention of bribery and corruption ;
- upholding the Organisation for Economic Co-operation and Development's recommendations regarding corruption;
- upholding the Equator Principles; and
- upholding the Employment Equity Act and the Broad-Based Black Economic Empowerment Act, applicable to South African subsidiaries.

II. Good corporate citizenship and the impact of the Group's activities and its products or services on the environment, health, and public safety, the Company's employment relationships, and its contribution toward the educational development of its employees. In order to ensure that Tharisa is and is seen to be a responsible corporate citizen, the committee oversees and monitors, on an ongoing basis, the consequences of the Group's activities and outputs on:
- the workplace, by ensuring employment equity, fair remuneration, safety, health, dignity, and development of employees and the Group's standing in relation to the International Labour Organisation Protocol on decent work and working conditions;
- the economy, by working toward economic transformation;
- the prevention, detection, and response to fraud and corruption;
- society, by upholding public health and safety, consumer protection, community development, and protection of human rights; and
- the environment, by ensuring pollution prevention, minimising waste disposal, and protecting biodiversity.

III. Ethical leadership and ethical behaviour, by reviewing the Company's Code of Ethics and making recommendations to the Board for approval reviewing results of whistleblowing activities reviewing significant cases of employee conflicts of interest, misconduct, fraud, or any other unethical activity by employees or the Company and ensuring that the Company's ethics performance is assessed, monitored, reported and disclosed.

The committee is pleased to report that it has fulfilled its mandate in terms of its terms of reference and that there are no instances of material non-compliance to report.

The committee meets as often as it deems necessary but, in any case, at least once a year and at such other times as determined. The committee met once during the year under review.

New Business Committee

The New Business Committee is responsible for the investigation and assessment of new projects and business opportunities, particularly from a strategic, technical and operational point of view, and identifying project-related risks, and safety, health, and environmental risks. The committee is not authorised to approve individual projects or investments or commit the Company but works with executive management to review and evaluate new business opportunities and initiatives and make recommendations to the Board for approval. The committee has the right of access to management and/or external consultants, and the right to seek additional information or explanations.

The committee is chaired by Roger Davey and other members are David Salter, Carol Bell, Loucas Pouroulis, and Phoevos Pouroulis. The CFO, COO, Group Executive: Legal, and CTO attend meetings as invitees. All members of the Board who are not committee members have a standing invitation to attend the meetings.

During the year, the committee considered various opportunities presented to it.

The committee meets as often as necessary to undertake its role effectively. The committee met formally twice during the year under review.

Climate Change and Sustainability Committee

During FY2021, the Board established the Climate Change and Sustainability Committee, delegating the responsibility for overseeing the climate change and sustainability strategy, policies, and functions of the Group. This committee functions alongside the Safety, Health and Environment and the Social and Ethics Committees. Given the significance of the subject matter, not only for the business but also for all stakeholders and the planet, the committee comprises, for the time being, all members of the Board and is chaired by Carol Bell. The committee meetings are attended by the COO, Group Executive: Legal, CTO and the Group ESG Manager by invitation.

The committee's purpose is to provide stewardship and enhance the Group's and, in particular, Tharisa Minerals', efforts in fighting climate change, driving sustainability and maintaining the social licence to operate within communities. Furthermore, the committee supports management in ensuring that the Company addresses climate change and sustainability issues through the development and implementation of a climate change and sustainability policy and sustainability framework. The committee also provides oversight on the Company's sustainability strategy and reporting and all matters under the theme of climate change and sustainability.

In the near term, the focus of this committee is oversight of the implementation of the Company's carbon action plan to become net carbon neutral by 2050. It will also guide the Group toward its goal of creating a circular economy while producing critical metals for the decarbonisation of global economies.

CORPORATE GOVERNANCE REPORT

The committee has access to sufficient resources to carry out its duties, including the authority to obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference and to invite those persons to attend meetings of the committee.

Meetings are held as often as necessary, but at least twice a year. The committee held four meetings during the year under review.

Attendance at meetings

Attendance at Board and committee meetings during the year under review is set out below:

Director	Board	Audit committee	Nomination committee	Remuneration committee	Risk committee	SHE committee	Social and ethics committee	New business committee	Climate change and sustainability committee
Number of meetings held	4	4	1	2	2	4	1	2	4
Loucas Pouroulis	3	-	0	-	0	-	-	0	1
Phoevos Pouroulis	4	4	1	2	2	4	1	2	4
Michael Jones	4	4	-	2	2	-	-	2	4
David Salter	4	4	1	2	1	4	1	2	4
Antonios Djakouris	4	4	1	2	2	4	1	2	4
Omar Kamal	4	4	-	-	2	4	1	1	4
Carol Bell	4	4	1	2	2	4	1	2	4
Roger Davey	3	1	1	2	2	3	-	2	3
Zhong Liang Hong	1	-	-	-	0	-	-	-	0
Shelley Wai Man Lo	4	4	-	-	2	4	-	2	4

Group Company Secretary

The role of the Group Company Secretary is, inter alia, to provide guidance and advice to the Board with respect to matters relating to the JSE Listings Requirements, the LSE Listings Rules, Disclosure Guidance and Transparency Rules, Cyprus Companies Law, King IV, market abuse laws and regulations, and other corporate governance-related matters. In addition to her statutory duties, the Group Company Secretary provides individual directors, the Board as a whole, and the various committees with guidance as to how their responsibilities should be discharged in the best interests of the Group.

Sanet Findlay is a full-time employee within the Group and is based in South Africa. She holds a Bachelor of Science and a Bachelor of Law, a CIS professional postgraduate qualification: Company Secretarial and Governance Practice and is a Fellow of the Chartered Governance Institute of Southern Africa (formerly Chartered Secretaries Southern Africa) since 2023, having been an Associate member since 2003. She has experience as a Group Company Secretary of JSE- and LSE-listed companies since 2009. She is not a director of Tharisa or any of its subsidiaries and maintains an arm's length relationship with the Board.

Lysandros Lysandrides acts as the Assistant Company Secretary and holds a Bachelor of Law and a postgraduate diploma in Legal Practice (UK). He is an associate member of the Institute of Chartered Secretaries and Administrators (UK), a Fellow of the Chartered Institute of Legal Executives (UK), and a registered practising Cyprus attorney at law. He has experience as a company secretary and legal adviser to companies listed on the LSE and Cyprus Stock Exchange. Lysandros has been appointed as an external adviser to Tharisa and its Cyprus subsidiaries and maintains an arm's length relationship with the Board.

The Board formally assessed and considered the performance and qualifications of the Company Secretaries and is satisfied that the Company Secretaries are competent, suitably qualified, and experienced.

The appointment and removal of the Company Secretaries are matters reserved for the Board as a whole.

Board evaluation

The Nomination Committee, under the leadership of the Lead Independent Director, evaluates the performance of the Board, its committees, the Executive Chairman, CEO, CFO, the Company Secretary, and the performance and contribution of the individual non-executive directors. The Board committees conduct a self-evaluation against their respective terms of reference and each individual Board member is evaluated by fellow Board members using an evaluation questionnaire. The results of the evaluation process are considered by the Nomination Committee prior to their presentation to the Board. Results and any identified training requirements are discussed with individual directors if deemed necessary. An extensive evaluation was conducted in November 2023. There were no material findings and remedial action is being taken to address areas that can be improved. The Board is satisfied that the evaluation process assists in the improvement of performance and effectiveness of the Board.

Conflicts of interest

Disclosure of other directorships, personal financial interests and any other conflicts of interest, and those of related persons, in any matter before the Board is a standing Board agenda item and a register is kept of all such disclosures. Directors recuse themselves from discussion on any matters in which they may have a conflict of interest. Non-executive directors are required to inform the Board of any proposed new directorships and the Board reserves the right to review such additional appointments to ensure that no conflict of interest would arise and a director accepting a new appointment would be able to continue to fulfil his or her obligations as a member of the Board.

Share dealing and insider trading

All directors of the Company and its major subsidiaries, senior executives, the Company Secretaries, and employees and advisers who, by virtue of their positions, have access to financial and other price-sensitive information are regarded as insiders and are required, at all times, to obtain prior authorisation to deal in the Company's shares.

Directors of the Company and its major subsidiaries and Persons Discharging Managerial Responsibilities (PDMRs) are reminded of their obligation to inform all their associates, as defined by the JSE Listings Requirements, and investment managers of the fact that dealings by the directors and their associates in Tharisa shares have to be pre-approved and/or disclosed to the Company within the stipulated timeframe to facilitate the release of the required announcements in terms of the JSE Listings Requirements. A similar requirement exists under the UK Market Abuse Regime for PDMRs and persons closely associated with them. The Company's directors, executives and employees who are classified as insiders are not permitted to deal in the Company's shares during closed periods or when they are in possession of non-public information.

An appropriate communication is sent to all such directors, PDMRs and employees alerting them that the Company is entering a closed period. Closed periods are observed as required by the JSE Listings Requirements, including the period from the end of the interim and annual financial reporting periods to the announcement of the financial results for the respective periods, and during periods that the Company is under a cautionary announcement. The UK Market Abuse Regulation stipulates a closed period of 30 calendar days before the announcement of the interim and/or annual results. The Company applies the longer duration in any given financial reporting period.

CORPORATE GOVERNANCE REPORT

Directors of the Company and its major subsidiaries and PDMRs have been made aware of an amendment to the JSE Listings Requirements, which expands the definition of a transaction (for purposes of directors' dealings in securities) to include the use of the issuer's securities as security, guarantee, collateral or otherwise granting a charge, lien or other encumbrance over the securities. In the past, disclosure of such security arrangements had only been required at the time of enforcement against the security, and not at the time the relevant security agreement was entered into. In terms of the amended Listings Requirements, separate transactions are regarded to occur, and an announcement is required at the time a security agreement is entered into, at the time when a right of the secured party is exercised, and at the time that an existing security agreement is amended or terminated. All existing transactions entered into prior to the amendment of the Listings Requirements must be disclosed in the annual report. None of the directors or Company Secretaries of the Company, its major subsidiaries, or any PDMRs had entered into any such transactions prior to the amendment to the Listings Requirements, which came into effect on 2 December 2019.

Succession planning

The Board, assisted by the Nomination Committee, is responsible for overseeing succession planning and ensuring that appropriate strategies are in place to ensure the smooth continuation of roles and responsibilities of members of the Board and senior management.

Compliance

Compliance with financial reporting requirements and accounting standards falls within the ambit of the Audit Committee. The Group's statutory and regulatory compliance resides with the Legal, Risk and Compliance Officer and reports on compliance are presented to the Audit and Social and Ethics Committees. In addition to the formal authorisation processes required for dealings in the Company's shares, the Group has various policies and procedures in place governing the declaration of interests, the accepting and granting of gifts and an approved delegation of authorities' matrix that governs the delegation of authority and value limits within the Group and ensures that all transactions are approved appropriately.

No incidents of non-compliance were identified, and no significant penalties or regulatory censures were imposed on the Company or any of its subsidiaries during the year under review.

The Board is satisfied that the Company complied with the Cyprus Companies Law, its Articles of Association, and the requirements of the JSE Listings Requirements pursuant to the Company's primary listing on the JSE during the year under review. The Board also acknowledges the role and responsibilities of its JSE sponsor, Investec Bank Limited, and believes that the sponsor has discharged its responsibilities with due care during the period.

Information technology governance

The Board Charter commits the Board to assume ultimate responsibility for ensuring that effective information technology (IT) systems, internal control, auditing and compliance policies, and procedures and processes are implemented to avoid or mitigate key IT-related business risks. The Board has delegated responsibility for governing IT to the Audit Committee. An assurance on the IT systems and processes is provided by the Group's internal auditors, and/or other professional consultants if required, and findings are reported to the Audit Committee, which ensures that all material findings are addressed appropriately.

A Group Chief Information Officer, responsible for the Group's strategy and implementation of IT and information systems across all Group companies, has been appointed with effect 1 October 2022. All Audit Committee and Board meetings are attended by the Group Chief Information Officer by invitation.

Climate change governance

The Board is ultimately responsible for the strategic direction of the Group and monitoring that Tharisa and its subsidiaries are operating responsibly. Tharisa has evolved its approach to dealing with stakeholders, focusing on actively healing rather than merely avoiding harm. Both the risks and opportunities presented by climate change are debated actively by the Board when developing the Group's strategy. Investment decisions, likewise, integrate climate risk considerations, as well as the business opportunities that arise from decarbonisation of energy so that the Group's capital investment is allocated appropriately and responsively to ensure that Tharisa's business model remains both sustainable and competitive. The Group produces several raw materials required for decarbonising the global economy. It also directs its research and development activities towards minimising its direct carbon footprint and contributing to the worldwide goal of achieving net-zero carbon emissions by 2050. The Board supports the Paris Climate Agreement, which was adopted in 2015 to address the negative impact of climate change by substantially reducing global greenhouse gas emissions to limit the global increase in temperature.

During FY2021, the Board established the Climate Change and Sustainability Committee, delegating the responsibility for overseeing the climate change and sustainability strategy, policies, and functions of the Group. Read more about this committee on page xx.

Tharisa has seen an intense focus on the impacts of climate change and is acutely aware of its accountability in reducing the Group's carbon footprint. The mining industry is a critical contributor to the global economy and the delivery of critical metals for the worldwide energy transition. It is also essential for the mining industry to minimise the environmental impact of its activities and Tharisa has been reviewing its operations with respect to establishing a corporate plan to reduce its carbon emissions while continuing to grow its operations in producing metals that are needed to effect the energy transition away from fossil fuels and deliver the decarbonisation of economies. Tharisa's management is committed to reducing its carbon emissions by 30% by 2030 (from its FY2020 baseline, which uses 2019 data). A roadmap is being developed to be net carbon neutral by 2050. Investment decisions taken by Tharisa's Board will be informed by these decarbonisation targets, alongside the current financial investment criteria. Furthermore, this developed roadmap will ensure that the pre-defined decarbonisation targets are achieved by deploying numerous sustainability initiatives.

Practical measures have been initiated and accelerated during FY2023, such as gaining consent for a solar energy farm to decarbonise electricity supply at the Tharisa Mine as well as investing in research and development in battery technology to enable storage of this energy.

External audit

Ernst & Young Cyprus Limited acts as an external auditor to the Group and its independence is reviewed by the Audit Committee on an annual basis. The appointment of the external auditor was approved at the AGM on 22 February 2023. The external auditor has unrestricted access to the chairman of the Audit Committee and the Lead Independent Director.

During FY2022, the Audit Committee and the Karo Mining Holdings board approved the appointment of BDO as external auditor to the Karo Group, comprising Karo Mining Holdings, Karo Zimbabwe Holdings and Karo Platinum. BDO has also been appointed as the external auditors of the Group's other Zimbabwean operations, including Salene Chrome Zimbabwe.

Internal audit

During FY2021, Tharisa established an in-house internal audit function and the Group Head of Internal Audit is responsible for the internal audit function for the Tharisa Group. He is a member of the South Africa Institute of Chartered Accountants (SAICA), The Institute of Internal Auditors (IIA), The Information Systems Audit and Control Association (ISACA) and The Association of Certified Fraud Examiners (ACFE) and is subject to the code of ethics of these professional bodies.

The purpose of the Tharisa internal audit function is to provide independent, objective assurance and consulting services designed to add value and improve the Group's operations. The Internal Audit Charter sets out the internal audit function's objectives, authority and responsibilities.

The internal audit function evaluates the adequacy and effectiveness of controls in responding to risks within the Group's governance, operations and information systems, including information security and cyber security. It derives its authority from the Audit Committee, to which it reports every quarter.

The Group Head of Internal Audit and internal audit team have unrestricted access to all functions, records, property, assets, personnel, and other documentation and information that the Group Head of Internal Audit considers necessary to enable the internal audit team to carry out its responsibilities. It may obtain the necessary assistance of personnel in subsidiary companies and divisions of Tharisa where they perform audits, as well as other specialised services from within or outside the Company. Furthermore, the Group Head of Internal Audit has full and free access to the chairman and members of the Audit Committee, the Lead Independent Director, the Chairman of the Board and the external auditors.

The Group Head of Internal Audit has a standing invitation to attend meetings of the Audit Committee and the Board.

The internal audit function plays a role in:

- developing and maintaining a culture of accountability, integrity and adherence to high ethical standards;
- facilitating the integration of risk management into the day-to-day business activities and processes; and
- promoting a culture of cost-consciousness and self-assessment.

Internal audit has a responsibility to advise on governance, risk management and control issues and is required to report inadequately addressed risks and ineffective control processes to management and/or the Audit Committee. Reporting is escalated to a level consistent with the internal audit assessment of the risk. Management is responsible and accountable for addressing weaknesses and inefficiencies and taking the necessary corrective action.

The Group Head of Internal Audit and staff of the internal audit function have accountability to, among others:

- provide assurance to the Audit Committee as to the adequacy and effectiveness of the Group's governance, risk management and controls;
- develop and implement an annual audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by management, including any special tasks or projects requested by management and the Audit Committee;
- maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this charter;
- establish a quality assurance programme by which the Group Head of Internal Audit assures the operation of internal audit activities;

- issue periodic reports to the Audit Committee and management, as well as summarised results of audit activities;
- assist in the investigation of significant suspected fraudulent activities within the organisation and notify management and the Audit Committee of the results; and
- consider the scope of work of the external auditors and regulators, as appropriate, to provide optimal audit coverage to the Group at a reasonable overall cost.

Management cannot place any restrictions on the scope of the audits. However, it is recognised that management and the Audit Committee provide general direction as to the scope of work and the activities to be audited and may request internal audit to undertake special reviews or audits. Opportunities for improving management control, profitability, and the company's image may be identified during audits, which are communicated to the appropriate management level.

Recommendations on standards of control to apply to a specific activity are included in the written report of audit findings and opinions given to management for review and implementation. A written report is issued and distributed within a reasonable time after receiving the written management responses.

All significant control weaknesses are followed up on a monthly basis to ensure the remedial action has been implemented by management and the appropriate feedback is given to the Audit Committee on the status of such remedial action.

The internal auditor is responsible for conducting reviews with professional scepticism, recognising that the application of audit procedures may produce evidential matter indicating the possibility of errors or irregularities. Deterrence of fraud is however the responsibility of management.

Internal audit will assist in the investigation of fraud to determine if controls need to be implemented or strengthened and design audit tests to help disclose the possibilities for similar frauds in the future. It will recommend improvements to correct the weaknesses and incorporate appropriate tests in future audits to disclose the existence of similar weaknesses in other areas of the organisation.

Internal audit maintains an open relationship with external auditors and any other assurance providers. Consistent with the Internal Audit strategy, internal audit plans its activity to help ensure the adequacy of overall audit coverage and to minimise duplication of assurance effort. The external auditors have full and unrestricted access to all internal audit strategies, plans, working papers and reports.

Independence and objectivity are essential to the effectiveness of the internal audit function. Internal audit has no direct authority or responsibility for the activities it reviews or for developing or implementing procedures. In addition, internal audit staff generally do not assume a role other than in an advisory capacity in the design, installation or operation of control procedures.

Internal audit reports functionally to the chairman of the Audit Committee and administratively to the Chief Finance Officer for the efficient and effective operation of internal audit function. The Audit Committee decides on the Group Head of Internal Audit appointment and removal and is responsible for his performance appraisal.

Independence is protected by ensuring that the internal audit function is free from control or undue influence by any party in selecting and applying audit techniques, procedures, and programmes.

Internal Audit is free from control or undue influence in the determination of facts revealed by the examination or in the development of recommendations or opinions resulting from the examination. The internal audit function is free from undue influence in selecting areas, activities, personal relationships, and managerial policies to be examined.

The internal audit function has oversight of the independent anonymous safety and ethics hotline administered by Whistleblowers Proprietary Limited. It investigates all reports received via the Whistleblowers hotline and through other channels and makes recommendations to management.

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Internal control systems

To meet the Company's responsibility to provide reliable financial information, the Company maintains financial and operational systems of internal control. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management's authority that the assets are adequately protected against material losses, unauthorised acquisition, use or disposal and those transactions are properly authorised and recorded. The systems include a documented organisational structure and division of responsibility and established policies and procedures, which are communicated throughout the Group, and the careful selection, training, and development of people.

The Audit Committee monitors the operation of the internal control systems to determine whether there are deficiencies. Corrective actions are taken to address control deficiencies as they are identified. The Board, operating through the Audit Committee, oversees the financial reporting process and internal control systems.

There are inherent limitations to the effectiveness of any internal control system, including the possibility of human error and the circumvention or overriding of controls.

Code of Business Ethics and Conduct

The Group's Code of Business Ethics and Conduct reaffirms the high standards of business conduct required of all employees, officers, and directors of Tharisa. It forms part of the Company's continuing effort to ensure that it complies with all applicable laws, as an effective programme to prevent and detect violations of law, and for the education and training of employees, officers, and directors. In most circumstances, the code sets standards that are higher than the law requires and adherence to the code aims to preserve the confidence and support of the public and Tharisa's shareholders.

Tharisa expects its employees, officers, and directors to:

- act with honesty, integrity, and fairness in all dealings, both internally and externally;
- comply with all laws and regulations applicable to the Group;
- comply with Group policies and procedures;
- protect the health, safety, and wellbeing of co-workers, suppliers, and the communities in which the Group operates;
- protect the environment by prudent use of resources such as water and energy and to limit waste disposal by recycling;
- protect and not disclose Tharisa's confidential information;
- avoid any potential conflicts of private interests with the interests of the Group, including, but not limited to, improper communications with competitors or suppliers regarding bids for contracts, having close relationships with contractors or suppliers, and involvement with any other businesses that have interests adverse to Tharisa, interests in Tharisa, or compete with Tharisa • not give or accept gifts, gratuities, or hospitality from customers or suppliers of inappropriate value, that could incur obligations or that could influence judgement; and
- avoid any situations or relationships that could interfere with an individual's ability to make decisions in Tharisa's best interests; and
- to act courteously, dignified and respectfully when dealing with co-workers and third parties and to refrain from discriminatory, harassing, or bullying behaviour, whether expressed verbally, in gesture, or through behaviour.

Furthermore, it is Tharisa's policy not to discriminate against any employee on the basis of race, religion, national origin, language, gender, sexual orientation, HIV status, age, political affiliation, or physical or other disability. Tharisa desires to create a challenging and supportive environment where individual contributions and teamwork are highly valued. In order to establish such an environment, all individuals are expected to support this policy of non-discrimination and Tharisa's equal employment opportunity policies.

Human rights, modern slavery and human trafficking

Tharisa acts ethically and with integrity in all business dealings and has the necessary systems and controls in place to safeguard against any form of transgression of human rights. Tharisa will continue to raise awareness of human rights among its employees, suppliers, and the communities in which it operates.

Modern slavery encapsulates slavery, servitude, and forced or compulsory labour. Tharisa has a zero-tolerance approach to any form of modern slavery and is committed to ensuring that there is no slavery or human trafficking in its supply chain, or any part of its business.

Anti-bribery and corruption policy

Tharisa is committed to doing business ethically. Tharisa does not tolerate corruption, fraud, and bribery and does not allow donations to any political parties through any of its operations. The Group's anti-corruption policy outlines potential risks and steps to mitigate the risk of bribery and corruption, together with a reporting guideline. All employees, suppliers, and other associated persons are made aware of these policies and procedures with regard to ethical behaviour, business conduct, and transparency.

Independent anonymous safety and ethics hotline

The Group has a zero-tolerance approach to safety transgressions, theft, fraud, corruption, violation of the law, and unethical business practices by employees or suppliers.

A 24-hour independent anonymous safety and ethics hotline monitored by an independent external party is fully operational and facilitates the reporting and resolution of safety and ethical violations. This confidential and anonymous hotline provides an impartial facility for employees, service providers, customers, and other stakeholders to report any safety or ethics-related matter such as safety concerns, unsafe behaviour and practices, hazardous conditions, fraudulent activity, corruption, statutory malpractice, financial and accounting reporting irregularities, and other deviations from safe and ethical behaviour. The Audit Committee must ensure that arrangements are in place for the independent investigation of such matters and appropriate follow-up action. No action will be taken against anyone reporting legitimate concerns, even if there is no proven unlawful conduct.

Each report received via the safety and ethics hotline, or any other channel, is considered and assessed by the Group Head of Internal Audit in terms of the nature of the incident and the level of staff implicated. For the following instances, the Group Head of Internal Audit consults with the Audit Committee Chairperson and together they decide on the most appropriate follow-up action:

- reports that concern individuals that are at the highest level of management of the Group and/or individuals that are responsible for overseeing one or more departments, or
- incidents that indicate a serious or pervasive violation that puts Tharisa at risk (whether from a reputational or financial perspective).

Based on this assessment, the Group Head of Internal Audit, in conjunction with the CFO and/or COO and/or CEO, determines whether to investigate the matter with internal audit resources or request the senior management within the function/region to investigate where this is appropriate or required. In certain circumstances it could be appropriate to engage an outside forensic expert to investigate. All incidents are investigated, and the outcomes of the investigations are reported to the Audit Committee every quarter. Based on the outcome of the investigation, appropriate action is taken, which may include, where deemed necessary, a disciplinary process in accordance with the Tharisa Human Resources Disciplinary Process.

Whistle Blowers Proprietary Limited operates and ensures the confidentiality of the hotline/tip-off process and that the anonymity of the individual using the hotline is protected while they are in possession of the information, as well as protecting the rights of the individuals referred to in the complaint.

Investor relations

The CEO and CFO, supported by the Investor Relations function, interact with institutional investors and qualified private investors on the performance of the Group through presentations and scheduled meetings regularly. The Company also participates in selected South African and international conferences and conducts roadshows in South Africa and internationally/

A wide range of information and documents, including copies of presentations given to investors, integrated annual reports and notices of shareholder meetings, are made available on the Company's website www.tharisa.com on an ongoing basis.

Shareholders are encouraged to visit the investors' section of the website frequently to be kept informed of the corporate timetable, including dates for the AGMs, forms of proxy and relevant shareholder information.