

Tharisa plc

(Incorporated in the Republic of Cyprus with limited liability)

(Registration number HE223412)

JSE share code: THA

LSE share code: THS

A2X share code: THA

ISIN: CY0103562118

LEI: 213800WW4YWMVVZIJM90

('Tharisa' or the 'Company')

PRODUCTION REPORT FOR THE FOURTH QUARTER AND YEAR ENDED 30 SEPTEMBER 2021***Best quarterly production in the history of the Tharisa Mine*****Fourth quarter and year-end highlights**

- Five-year fatality free, with a Lost Time Injury Frequency Rate ('LTIFR') of 0.34 per 200 000-man hours worked
- Delivered on production guidance with record quarterly output of Platinum Group Metals ('PGMs') and chrome concentrates
 - PGM production of 43.7 koz, up 12% Quarter on Quarter ('QoQ'), delivering 157.8 koz for the year, up 11% Year on Year ('YoY') at an average PGM basket price of US\$3 074/oz (ZAR45 336/oz), up 80% YoY
 - Chrome output of 395.7 kt, up 4% QoQ, delivering 1 506.1 kt for the year, up 12% YoY at an average metallurgical grade chrome price of US\$154/t (ZAR2 284/t), up 10% YoY
- Record production performance has further strengthened the Company's balance sheet
 - Cash balance of US\$83.4 million and a positive net cash position of US\$47.9 million
- Decarbonisation targets set at a 30% reduction in emissions by 2030, carbon net neutral by 2050 across the Company's operations

Post year-end highlights

- Commencement of cold commissioning of the Vulcan ultra-fine chrome processing plant in October 2021, anticipated to increase recoveries of chrome concentrate to above 80%, thereby increasing chrome production by 25% to 2.0 Mt
- Commencement of Salene Chrome plant construction

Guidance for FY2022

- FY2022 production guidance of between 165 koz to 175 koz PGMs (6E basis) and 1.75 Mt to 1.85 Mt of chrome concentrates. COVID-19 remains a risk to the Company and guidance is premised on the current level of economic activity being maintained

Key Operating Numbers

		Quarter ended 30 Sep 2021	Quarter ended 30 Jun 2021	Quarter on quarter movement %	Quarter ended 30 Sep 2020	Year ended 30 Sep 2021	Year ended 30 Sep 2020	Year on year movement %
Reef mined	kt	1 404.7	1 507.8	(6.8)	1 405.7	5 379.9	4 971.1	8.2
PGMs produced (6E)	koz	43.7	39.0	12.1	40.5	157.8	142.1	11.0
Chrome concentrates produced (excluding third party)	kt	395.7	379.7	4.2	370.8	1 506.1	1 344.8	12.0
Average PGM basket price	US\$/oz	2 854	3 804	(25.0)	1 951	3 074	1 704	80.4
Average metallurgical grade chrome concentrate contract price	US\$/t	167	160	4.4	142	154	140	10.0

Phoevos Pouroulis, CEO of Tharisa, commented:

“The fourth quarter of our financial year delivered the highest production of PGMs and chrome concentrates in the history of the Tharisa Mine. This performance follows several strategic initiatives to optimise the operation, these have built a sustainable platform for Tharisa to deliver further significant growth over the long life of our open pit operations.

The continued improved performance over the past twelve months was achieved through the proficiency, commitment and focus of all our staff, who not only delivered our results safely, but did so in the face of COVID-19 uncertainty, which saw thousands of man hours lost during the past 12 months. The challenge of the pandemic persists on numerous fronts, yet we remain confident that the measures we have taken in the last two years will continue to allow us to overcome these and future challenges.

With the FY2022 production guidance provided for the Tharisa Mine, we see further growth particularly from the investment made in the Vulcan plant, which is in the cold commissioning phase and will produce chrome concentrates before the end of 2021. In Zimbabwe, the exciting developments with Salene Chrome, in the construction phase, as well as the progress on the development of Karo Platinum, will contribute to Tharisa’s growth trajectory over the next two years.

As we enter the next phase of the development of our business, Tharisa remains a key participant in the global transition to a low carbon economy through the critical metals we produce. Not only will Tharisa contribute to this transition, we will deliver on our stated goals of reaching 30% reduction in emissions by 2030 and carbon neutrality by 2050 through the extraordinary skills and initiatives of our own research and development team as well as the adoption of leading technologies.”

Health & Safety

- The health and safety of our stakeholders remains a core value to the Company and Tharisa continues to strive for zero harm at its operations

- LTIFR of 0.34 per 200 000-man hours worked
- Tharisa recorded its fifth-year fatality free, a testament to the due diligence and focus of our staff
- South Africa is at an adjusted Alert Level 1 as the country has exited Wave 3
- The Company currently has zero active COVID-19 cases

Market Update

- While the PGM basket price increased by over 80% on an annual basis, this was somewhat dampened by the softer PGM basket price in the last quarter, which saw the average basket price reduce by 25% QoQ. While the upside price movement may be perceived to have overrun, short term supply-demand disruptions need to be countered by the strong fundamentals of PGMs in the longer term, driven by a healthy outlook for the internal combustion engine, investment and industrial demand. While substitution will take place between palladium and platinum in catalytic converters over time, the inability to substitute the minor metals, the largest of which is rhodium, ensures that the PGM basket price will remain robust for at least the next 5-year period
- Chrome prices improved in the last quarter with an increase of over 4% compared to the June 2021 quarter, and also saw an increase of 10% on an annual basis, with spot trading at US\$165/t. Prices will need to remain at these levels for most producers to remain profitable and continue to invest, as shipping rates have dented margins, with the global logistic industries continuing to be impacted by the pandemic and challenges with supply chain management. Despite some output cuts at stainless steel plants in China, output is nevertheless expected to increase close to double digit percentage growth compared to 2020 as both domestic demand and export demand drives higher output levels in China. South African inland logistics issues have led to longer supply chains and thus increased pricing for products, while stockpiles of chrome at port level in China remain constant

Operational Update

- Total reef mined slightly down QoQ but up over 8% YoY to 5.4 Mt
- Annual stripping ratio of 11.6 m³: m³ ahead of LOM requirements
- Tonnes milled increased QoQ leading to an increase in milled tonnes for the year of over 11% to 5.6 Mt
- Record quarterly PGM production at 43.7 koz leading to an annual output of 157.8 koz, within guidance
- Record quarterly chrome output of 395.7 kt leading to an increase YoY of 12% in chrome output to 1 506.1 kt, within guidance
- The improvements in PGM grade to 1.59 g/t are as a direct result of the mining efficiencies achieved in the last 18 months, allowing the mine to focus on 'right mining' to achieve the optimal grade mix
- Correct grade mix has resulted in the plants running optimally, leading to improved recoveries
- The mine has approximately 2-months ROM stockpile ahead of the plants

Zimbabwe update

- Salene Chrome is on track to commence production in Q1 FY2022
- Salene Chrome mining has commenced, and the metallurgical plant construction is in progress

- Karo Platinum implementation studies completed

Cash Balance and Debt Position

- Tharisa had a cash balance of US\$83.4 million (30 June 2021 US\$80.5 million) at the end of the quarter and debt of US\$35.5 million (30 June 2021 US\$38.7 million) resulting in a positive net cash position of US\$47.9 million (30 June 2021 US\$41.8 million), with a significant portion of capital spent on the construction of the Vulcan plant being internally funded
- The Company's strong balance sheet with low leverage positions it to fund its growth aspirations

		Quarter ended 30 Sep 2021	Quarter ended 30 Jun 2021	Quarter on quarter movement %	Quarter ended 30 Sep 2020	Year ended 30 Sep 2021	Year ended 30 Sep 2020	Year on year movement %
Reef mined	kt	1 404.7	1 507.8	(6.8)	1 405.7	5 379.9	4 971.1	8.2
Stripping ratio	m³: m³	12.3	10.9	12.8	13.0	11.6	12.1	(4.1)
Reef milled	kt	1 428.1	1 413.1	1.1	1 401.8	5 600.0	5 036.1	11.2
PGM flotation feed	kt	1 071.6	1 072.3	(0.1)	1 062.5	4 248.2	3 765.9	12.8
PGM rougher feed grade	g/t	1.59	1.52	4.6	1.54	1.49	1.46	2.1
PGM recovery	%	80.0	74.4	7.5	77.1	77.6	80.1	(3.1)
6E PGMs produced	koz	43.7	39.0	12.1	40.5	157.8	142.1	11.0
Platinum produced	koz	23.6	21.8	8.3	22.7	86.7	78.7	10.2
Palladium produced	koz	7.2	5.5	30.9	6.1	24.9	23.0	8.3
Rhodium produced	koz	4.3	3.9	10.3	3.9	15.4	13.5	14.1
Average PGM contained metal basket price	US\$/oz	2 854	3 804	(25.0)	1 951	3 074	1 704	80.4
Platinum price	US\$/oz	1 016	1 185	(14.3)	901	1 080	876	23.3
Palladium price	US\$/oz	2 295	2 794	(17.9)	2 283	2 513	2 147	17.0
Rhodium price	US\$/oz	16 721	24 232	(31.0)	10 482	18 860	8 348	125.9
Average PGM contained metal basket price	ZAR/oz	41 727	53 801	(22.4)	32 978	45 336	27 691	63.7
Cr ₂ O ₃ ROM grade	%	17.9	18.0	(0.6)	18.0	17.9	18.2	(1.6)
Chrome recovery	%	65.0	63.0	3.2	62.3	63.3	62.1	1.9
Chrome yield	%	27.7	26.9	3.0	26.4	26.9	26.7	0.7
Chrome concentrates produced (excluding third party)	kt	395.7	379.7	4.2	370.8	1 506.1	1 344.8	12.0
Metallurgical grade	kt	309.3	280.8	10.1	277.6	1 141.5	1 023.2	11.6
Specialty grades	kt	86.4	98.9	(12.6)	93.2	364.6	321.6	13.4
Third party chrome production	kt	52.4	59.0	(11.2)	52.8	223.0	169.8	31.3

Metallurgical grade chrome concentrate contract price	US\$/t CIF China	167	160	4.4	142	154	140	10.0
Metallurgical grade chrome concentrate contract price	ZAR/t CIF China	2 435	2 274	7.1	2 376	2 284	2 231	2.4
Average exchange rate	ZAR:US\$	14.6	14.1	3.5	16.9	14.8	16.2	(8.6)

Paphos, Cyprus

12 October 2021

JSE Sponsor

Investec Bank Limited

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About Tharisa

Tharisa is an integrated resource group critical to the energy transition and decarbonisation of economies. It incorporates mining, processing, exploration and the beneficiation, marketing, sales and logistics of PGMs and chrome concentrates, using innovation and technology as enablers. Its principal asset is the Tharisa Mine located in the South-Western Limb of the Bushveld Complex, South Africa. The mechanised mine has a 14-year open pit life and the ability to extend operations underground by at least an additional 40 years. Tharisa also owns Salene Chrome, a development stage, low cost, open pit asset, located adjacent to the Great Dyke in Zimbabwe. Tharisa plc is listed on the Johannesburg Stock Exchange (JSE: THA) and the Main Board of the London Stock Exchange (LSE: THS)