

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 FIRST QUARTER FY2023 ENDED 31 DECEMBER 2022

Tharisa, the platinum group metals (PGMs) and chrome co-producer dual-listed on the Johannesburg and London stock exchanges, today announces its production and cash balance results for Q1 FY2023 [\[1\]](#)

Quarter highlights

- Lost Time Injury Frequency Rate ('LTIFR') of 0.3 per 200 000-man hours worked
- Mining volumes impacted by unprecedented rainfall not seen in the history of the Tharisa Mine
- Processing efficiencies impacted by increased processing of oxidised ore and variable ROM stockpiles
 - PGM output marginally lower versus prior quarter at 42.7 koz (Q4 FY2022: 45.3 koz)
 - Chrome output fell as a direct result of feed and ore mix variability at 383.1 kt (Q4 FY2022: 416.2 kt) with grades remaining consistent at 17%
- Vulcan Plant optimisation continuing with increased output on track for H2 FY2023
- Production guidance maintained at between 175 koz and 185 koz PGMs (6E basis) and 1.75 Mt to 1.85 Mt of chrome concentrates
- Elevated PGM prices driven by PGM demand for the automotive industry and lower production from major suppliers; Chrome prices remain buoyant currently at US\$260/t due to eroding Chinese stockpiles
- Successful ground breaking at Karo Platinum Mine in Zimbabwe; project construction ongoing
- Raised US\$31.8m from bond issue for Karo Mining Holdings on the Victoria Falls Stock Exchange
- Cash on hand US\$213.9 million, with a net cash position of US\$101.1 million
- Growth strategy firmly on track for FY2023

Key Operating Numbers

		Quarter ended 31 Dec 2022	Quarter ended 30 Sep 2022	Quarter on quarter movement %	Quarter ended 31 Dec 2021	Year ended 30 Sep 2022
Reef mined	kt	1 081.5	1 314.7	(17.7)	1 413.9	5 505.4
6E PGMs produced	koz	42.7	45.3	(5.7)	47.7	179.2
Chrome concentrates produced (excluding third party)	kt	383.1	416.2	(8.0)	401.8	1 582.7
Average PGM contained metal basket price	US\$/oz	2 360	2 400	(1.7)	2 394	2 564
Metallurgical grade chrome concentrate contract price	US\$/t CIF China	223	226	(1.3)	161	209

Phoevos Pouroulis, CEO of Tharisa, commented:

"Despite operational headwinds at the Tharisa Mine, the Company delivered a solid quarter of PGM and chrome production, underpinning our commitment in delivering guidance of between 175 koz and 185 koz PGM and 1.75 Mt and 1.85 Mt chrome concentrates. The quarter also saw significant progress in the development of Karo Platinum, which will be our second Tier 1 PGM asset, with ground breaking and the commencement of the development of the necessary infrastructure and mine construction, supported by the first bond issue on the Victoria Falls Exchange in Zimbabwe.

The fatality in October 2022 overshadowed the quarter where output was hampered by unprecedented rainfall, which registered an annualised increase in rainfall of 27%. While the changes we have made to the pit layout provided significantly better drainage, access to the pit was nevertheless hampered due to the high-water level, directly resulting in pit flexibility being compromised. Our stockpile management strategy implemented over the past 24 months resulted in minimising the impact to our normal output.

Our growth strategy remains intact, underpinned by further free cash flow generation in the quarter, as well as progressing with

our ambitions to become a multi-asset and multi-jurisdiction group with the rapid progress of the Karo Platinum Project."

Health & Safety

- The health and safety of our stakeholders remains a core value to the Group and Tharisa continues to strive for zero harm at its operations
- LTIFR of 0.3 per 200 000-man hours worked

Market Update

- Chrome prices remain strong, with spot at around US\$260/t at the time of writing. Stockpiles in China remain at the lower end of seasonal levels despite lower ferrochrome production in the latter part of the quarter. Demand for chrome remains resilient and shipments are being executed as rapidly as possible given transport logistics constraints in South Africa. Tharisa has benefited from its ability to access three ports to ensure we deliver our products to our clients. Chinese New Year will slow demand towards the end of January 2023 but with the economy in China opening post COVID-19 restrictions, we continue to foresee strong demand for the product heading into the Northern Hemisphere spring.
- PGM prices remained elevated over the quarter and are set to continue at these levels on the back of PGM demand from the automotive industry and lower production from the major suppliers. As forecast, while palladium prices have eroded, ever growing reduction of platinum surplus supplies will lead to a deficit over the next 12 to 18 months, according to consensus industry forecasts. The growing reduction in platinum surplus supplies has resulted in platinum price increases with rhodium and other minor PGM basket constituents remaining strong. This is a direct result of the forecasted lower output due to the operational issues addressed above

Operational Update

- Total reef mined of 1 081.5 kt (Q4 FY2022: 1 314.7 kt) as weather impacted access to all benches, which affected mining and drilling volumes
- Stripping ratio of 10.6 m³: m³ (Q4 FY2022: 13.3 m³: m³) in line with new life of mine requirements but also affected by adverse weather conditions
- Total reef tonnes milled for the quarter at 1 427.4 kt (Q4 FY2022: 1 446.8 kt), utilising stockpiles to maintain plant throughput
- Quarterly PGM production at 42.7 koz (Q4 FY2022: 45.3 koz)
 - Rougher feed grade of 1.66 g/t (Q4 FY2022: 1.67 g/t)
 - Recovery of 71.7% (Q4 FY2022: 76.2%) as oxidised ore from the stockpile was fed into the circuits
- Quarterly chrome production at 383.1 kt (Q4 FY2022: 416.2 kt)
 - Grade of 17.0% Cr₂O₃ (Q4 FY2022: 17.3%)
 - Recovery at 65.7% (Q4 FY2022: 69.6%) impacted by high variability of ore mix and feed grade, as well as work on spiral adjustment and replacement, impacting mainly specialty output with metallurgical chrome output up on a quarter-by-quarter basis
- Vulcan Plant optimisation continuing with increased output on track for H2 FY2023

Karo Platinum Update

- Construction commencement ceremony was held on 7 December 2022, with land clearing continuing
- Successful capital raise and listing on VFEX Exchange on 16 December 2022

Cash Balance and Debt Position

- Tharisa had a cash balance of US\$213.9 million (30 September 2022 US\$143.4 million) at the end of the quarter, and debt of US\$112.8 million (30 September 2022 US\$64.8 million). The increased cash has resulted in an improved net cash position of US\$101.1 million (30 September 2022 US\$78.6 million). The cash and debt numbers include the fully consolidated recent capital raise on the VFEX

Guidance

Production guidance maintained at between 175 koz and 185 koz PGMs (6E basis) and 1.75 Mt to 1.85 Mt of chrome concentrates.

Production Numbers

		Quarter ended 31 Dec 2022	Quarter ended 30 Sep 2022	Quarter on quarter movement %	Quarter ended 31 Dec 2021	Year ended 30 Sep 2022
Reef mined	kt	1 081.5	1 314.7	(17.7)	1 413.9	5 505.4
Stripping ratio	m ³ : m ³	10.6	13.3	(20.3)	11.2	12.8
Reef milled	kt	1 427.4	1 446.8	(1.3)	1 432.1	5 608.2
PGM flotation feed	kt	1 115.3	1 108.1	0.6	1 069.3	4 274.5
PGM rougher feed grade	g/t	1.66	1.67	(0.6)	1.75	1.70
PGM recovery	%	71.7	76.2	(5.9)	79.3	76.6
6E PGMs produced	koz	42.7	45.3	(5.7)	47.7	179.2
Platinum produced	koz	23.2	25.0	(7.2)	26.5	99.0

		Quarter ended	Quarter ended	Quarter on quarter movement (%)	Quarter ended	Year ended
		31 Dec 2022	30 Sep 2022		31 Dec 2021	30 Sep 2022
Palladium produced	koz					
Rhodium produced	koz					
Average PGM contained metal basket price	US\$/oz	2 360	2 400	(1.7)	2 394	2 564
Platinum price	US\$/oz	967	887	9.0	997	968
Palladium price	US\$/oz	1 952	2 077	(6.0)	1 941	2 107
Rhodium price	US\$/oz	12 951	13 746	(5.8)	13 522	14 962
Average PGM contained metal basket price	ZAR/oz	41 682	40 850	2.0	36 897	40 437
Cr ₂ O ₃ ROM grade	%	17.0	17.3	(1.7)	18.1	17.4
Chrome recovery	%	65.7	69.6	(5.6)	65.6	68.3
Chrome yield	%	26.8	28.8	(6.9)	28.1	28.2
Chrome concentrates produced (excluding third party)	kt	383.1	416.2	(8.0)	401.8	1 582.7
Metallurgical grade	kt	347.2	325.9	6.5	305.3	1 233.2
Specialty grades	kt	35.9	90.3	(60.2)	96.5	349.5
Third party chrome production	kt	40.9	38.2	7.1	49.2	188.2
Metallurgical grade chrome concentrate contract price	US\$/t CIF China	223	226	(1.3)	161	209
Metallurgical grade chrome concentrate contract price	ZAR/t CIF China	3 932	3 867	1.7	2 471	3 345
Average exchange rate	ZAR:US\$	17.6	17.0	3.5	15.4	15.8

Paphos, Cyprus

11 January 2023

JSE Sponsor

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About Tharisa

Tharisa is an integrated resource group critical to the energy transition and decarbonisation of economies. It incorporates exploration, mining, processing and the beneficiation, marketing, sales, and logistics of PGMs and chrome concentrates, using innovation and technology as enablers. Its principal operating asset is the Tharisa Mine, located in the south-western limb of the Bushveld Complex, South Africa. The mechanised mine has an 18 year pit life and can extend operations underground by at least 40 years. Tharisa also owns Karo Mining Holdings a development stage, low-cost, open-pit PGM asset located on the Great Dyke in Zimbabwe. The Company is committed to reducing its carbon emissions by 30% by 2030 and the development of a roadmap is continuing to be net carbon neutral by 2050. Tharisa plc is listed on the

^[1]Tharisa's financial year begins 01 October each year and finishes on 30 September.

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