



NEWS RELEASE

29 November 2016

Tharisa delivers record full year results

PGM and chrome producer proposes maiden distribution to shareholders

Highlights

- Gross profit increases by 26.5% to US\$54.5 million
- Operating profit up 74.5% to US\$32.1 million
- EBITDA rises 48.3% to US\$43.0 million
- Headline earnings per share triples to US\$ 6 cents
- PGM production 12.4% higher at 132.6 koz
- Chrome concentrate production up 10.8% at 1.2 Mt
- Specialty chrome concentrate production increases by 138.8% to 269.4 kt year on year

London, 29 November 2016 – Tharisa plc, a co-producer of PGM and chrome concentrates, today reports record results for the financial year ended 30 September 2016.

The integrated resource group's net profit after tax for the year more than doubled to US\$15.8 million, compared to a profit of US\$6.0 million a year earlier. This translated into basic earnings per share (EPS) of US\$ 5 cents and headline earnings per share (HEPS) of US\$ 6 cents, an increase of 150% and 200% respectively from the EPS and HEPS of US\$ 2 cents posted the year before.

Based on the strong results and in line with its stated dividend policy, the directors announced that subject to the necessary shareholder and regulatory approvals, the Board has approved an inaugural distribution to shareholders of US\$ 1 cent per share.

Group revenue totalled US\$219.7 million, a decrease of 11% relative to the previous financial year. This was due to a decrease in the commodity prices for both PGMs and chrome concentrates with the basket price for PGMs reducing by 16.8% per ounce and the metallurgical grade chrome concentrate price (on a CIF main ports China

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basis) reducing by 24.1% per tonne over the comparable period. The reduction in revenue was mitigated by the increase in PGM and chrome concentrate volumes sold. PGM revenues at US\$81.5 million were almost 2% lower year-on-year while chrome revenues were 15.6% lower at US\$138.1 million.

Tharisa's mining operations are characterised by the shallow large scale, open pit, co-production of PGM and chrome concentrates with a consequential low cost of production. Continuing application of Tharisa's low-cost business model and achievement of record production enabled the company to boost gross profit by 26.5% to US\$54.5 million for the year. The gross profit margin of 24.8% also compared favourably to the comparable period's gross profit margin of 17.5%. Operating profit climbed by 74.5% to US\$32.1 million.

Notwithstanding the depressed commodity prices during the financial year, the Group recorded a substantial improvement in profitability, generating a net profit before tax of US\$22.0 million compared to the comparable period of US\$9.6 million.

Commenting on the results, CEO Phoevos Pouroulis said:

"Our full-year results demonstrate that the Group has come of age. Improving profitability through economies of scale and operational excellence in a depressed commodity market shows that Tharisa's low-cost model sets the Group apart from its peers.

Clearly benefitting from the innovative co-production of PGM and chrome concentrates the Group was able to leverage its integrated operational platform to capitalise on the production of higher margin specialty chrome products at a time when other commodity prices were depressed."

Tharisa Minerals reported a Lost Time Injury Frequency Rate (LTIFR) of 0.36 per 200 000 man hours worked. In recognition of these achievements, Tharisa Minerals was awarded the Best Safety Performance in Class award at Mine Safe 2016. Tharisa continues to strive for a zero harm work environment and has renewed this commitment to all stakeholders.

Tharisa's mining operations performed well during the financial year, with 4.8 Mt of reef mined, which is 15.6% higher than the reef mined in FY2015. The focus remains on grade control to improve the plant feed grades, particularly for chrome.

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The processing plants performed particularly well due to the consistent run-of-mine (ROM) production. A total of 4.7 Mt of reef was milled in FY2016, representing a 5.8% increase year on year. The overall performance across both plants saw a marked improvement in PGM recoveries at 69.9% for the financial year and improved chrome recoveries of 62.7% during the year. Tharisa's recovery targets are 70% for PGMs and 65% for chrome.

PGM production was 12.4% higher at 132.6 koz at and chrome production at 1.2 Mt, was up 10.8% despite marginally lower feed grades. Specialty chrome concentrate production increased by 138.8% to 269.4 kt year on year.

Outlook

The general mining environment remains challenging but the recovery in bulk commodity prices in the wake of increased demand means existing producers can look forward to improved margins in 2017.

"We are confident that we have a winning formula and have begun reaping the rewards of an improving global commodity market. The coming year will see us focus on further improvements in our recoveries and increase our attention on the next steps in our growth strategy," says Mr Pouroulis.

Tharisa's financial performance proves that it can remain profitable in distressed commodity markets. The continued focus on reducing debt levels further will also serve the Group well as it looks to expand from its well established South African base.

The production outlook for FY2017 remains at 147.4 koz of PGMs and 1.3 Mt of chrome concentrates, of which 300 kt will be specialty grade chrome concentrates.

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About Tharisa

Tharisa is an integrated resources group incorporating mining, processing, beneficiation, marketing, sales and logistics of PGMs and chrome through its 74% interest in Tharisa Minerals (mining and processing) and its wholly-owned subsidiaries including Arxo Metals (processing and beneficiation), Arxo Logistics (logistics) and Arxo Resources.

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The Company has been listed on the Johannesburg Stock Exchange's "General Mining" sector of the Main Board since April 2014. Tharisa listed on the Main Board of the London Stock Exchange in June 2016 by way of a standard listing.

See <http://www.tharisa.com/> for more information.

Issued by Tharisa Plc

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