

# tharisa

**REPORT ON PAYMENTS TO GOVERNMENTS**  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019



## INTRODUCTION

This report provides an overview of the payments made to governments by Tharisa plc ('Tharisa') and its subsidiaries for the financial year ended 30 September 2019, as required under the Cyprus Companies Law and the Cyprus Transparency Laws. These regulations enact domestic rules in line with Directive 2013/34/EU (the EU Accounting Directive (2013)) and apply to companies that are involved in extractive activities. While the regulations require disclosure in respect of the extractive operation only i.e. Tharisa Minerals (Pty) Ltd, the disclosure herein relates to payments to government in respect of all of the operations of the Group.

## SUMMARY OF PAYMENTS TO GOVERNMENTS

Country	Taxes	Royalties	Other	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Cyprus <sup>1</sup>	2 394.9	-	3.1	2 398.0
South Africa	2 013.0	2 119.6	1 100.9	5 233.5
<b>Total</b>	<b>4 407.9</b>	<b>2 119.6</b>	<b>1 104.0</b>	<b>7 631.5</b>

## PAYMENTS BY ENTITY

Cyprus	Taxes	Royalties	Other	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Tharisa plc	74.3	-	1.8	76.1
Arxo Resources Ltd	2 320.5	-	0.7	2 321.2
Tharisa Administration Services Ltd	0.1	-	0.6	0.7
<b>Total</b>	<b>2 394.9</b>	<b>-</b>	<b>3.1</b>	<b>2 398.0</b>

South Africa	Taxes	Royalties	Other	Total
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Tharisa Minerals (Pty) Ltd	332.5	2 119.6	1 037.7	3 489.8
Arxo Metals (Pty) Ltd	759.9	-	13.9	773.8
Arxo Logistics (Pty) Ltd	610.7	-	47.1	657.8
Ubhova Security (Pty) Ltd	43.2	-	-	43.2
Braeston Corporate Consulting (Pty) Ltd	266.7	-	2.2	268.9
<b>Total</b>	<b>2 013.0</b>	<b>2 119.6</b>	<b>1 100.9</b>	<b>5 233.5</b>

<sup>1</sup> The taxes incurred in Cyprus include the payment of the special contribution tax.

## **BASIS OF PREPARATION**

### **Reporting entity**

This report covers payments made to governments by Tharisa and its subsidiaries and includes payments made by the beneficiation, marketing and trading subsidiaries of the Company. Tharisa and its 74% owned subsidiary, Tharisa Minerals (Pty) Ltd, are engaged in extractive activities, which are classified by the regulations as exploration, prospecting, discovery, development and extraction of minerals.

### **Reporting currency**

The reporting currency of the Group is US\$. Payments that have been made in currencies other than US\$ were converted at the annual average exchange rate for the year ended 30 September 2019.

### **Government**

Government refers to any national, regional or local authority of a country and includes any department, agency or undertaking controlled by that authority.

### **Types of payments**

#### *Taxes*

These are taxes levied on the income, production or profits but in line with the regulations, exclude taxes levied on consumptions such as value added taxes, personal income taxes or sales taxes.

#### *Royalties*

These are payments for the right to extract minerals and are determined on the sales value. These taxes are applicable on the extraction of PGMs and chrome and are included in the operating costs.

#### *Other*

These are payments relating to stamp duties, company levies and insurance payments that provide wage replacement and medical benefits to employees injured in the course of employment in exchange for mandatory relinquishment of the employee's right to sue their employer for the tort of negligence.

Other taxes also include property related tax payments of US\$147 thousand that was paid to the local government in South Africa. Property tax is imposed on South African property owners.

No other payments as stipulated in the regulation including production entitlements and fees and payments in kind have been made by the Group during the financial year ended 30 September 2019.

### **Unaudited**

This report has not been reported on or reviewed by Tharisa's auditors.