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')

MANAGEMENT REPORT FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023 AND CASH DIVIDEND DECLARATION

Growing sustainability from a robust operational base driving financial performance

Key Highlights

- **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
        - 0.13 per 200 000-man hours worked (Tharisa Minerals)
        - 0.26 per 200 000-man hours worked (Karo Platinum)
- **Operations:**
    - Annual PGM production at 144.7 koz (FY2022: 179.2 koz)
    - Average PGM basket price of US$1 893/oz (FY2022: US$2 564/oz), down 26.2%
    - Chrome production at 1 580.1 kt (FY2022: 1 582.7 kt)
    - Average metallurgical grade chrome price of US$263/t (FY2022: US$209/t), up 25.8%
- **Corporate actions:**
    - Increased shareholding in Karo Mining Holdings to 75.0%
    - Tharisa will increase its shareholding in Karo Mining Holdings to 80.0% in FY2024 with balance of committed equity investments - effective 68.0% in the Karo Platinum Project
- **Financials:**
    - Revenue decreased 5.3% to US$649.9 million (FY2022: US$686.0 million)
    - EBITDA of US$136.8 million (FY2022: US$237.3 million)
    - Profit before tax of US$114.3 million (FY2022: US$220.2 million)
    - Earnings per share of US 27.4 cents (FY2022: US 53.8 cents)
    - Free cash flow of US$78.8 million
    - Final dividend of US 2 cents per share proposed, bringing total dividend to US 5 cents per share, 17.3% of NPAT
    - Net cash position of US$129.4 million
- **Mine to Megawatt**
    - Accelerated development of iron chromium redox flow long duration battery through wholly owned subsidiary, Redox One.
    - 40MW Solar project environmental approvals in place and project completion scheduled for Q2 FY2025
- **Guidance for FY2024:**
    - 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.

Phoevos Pouroulis, CEO of Tharisa, commented:

"At Tharisa, we have consciously chosen to be developers of mines. Building mines is not easy, as it takes time, patience, capital and the conviction to invest through commodity and economic cycles. We believe that employing a strategy of mine development creates a solid foundation to successfully deliver on our strategy of growth and innovation by challenging convention from the outset.

In reviewing the past year, considering the challenges faced not only from the inflationary and operational increases in our cost structure, power supply constraints and the rail and port logistics failure, the co-product business model of the Tharisa Mine once again has reflected and shown continuous resilience.

The suppressed PGM basket price has far-reaching consequences to primary supply, with employment, expansion and investment all at risk. After a strategic review, we extended the Karo Platinum Project development timeline by 12 months to June 2025. We will keep this matter under review, and should conditions improve, we have the flexibility to accelerate development.

The structural damage to the PGM supply side will be felt for some time and will ultimately result in an upward shift in prices. While current markets are volatile and unpredictable, we believe in the medium-term outlook for PGMs underpinned by a supply-side constrained economy with new and growing applications of these precious metals.

The chrome market remains robust driven by stable demand fundamentals.

At Tharisa, our margins remain healthy due to our mechanised low-cost operations, with a continued disciplined capital allocation strategy, ensuring investment in our existing businesses, innovation and providing sustainable growth and returns to shareholders. Moreover, our investment in solar power and Redox One battery technology will improve the sustainability of our operations and enable us to deliver our decarbonisation objectives

Through continuous optimisation at the Tharisa Mine, investment in downstream beneficiation, and our commitment to developing the long-term Tier 1 Karo Platinum Project in Zimbabwe, our strategy to grow the Group is intact."

Safety

Safety is a core value and Tharisa continues to strive for zero harm at its operations. A LTIFR of 0.13 per 200 000-man hours worked was recorded at Tharisa Minerals, with Karo Platinum reporting its first LTI for the year under review with a LTIFR of 0.26 per 200 000 man hours. Sadly, Tharisa Minerals recorded one fatality in October 2022.

Key Operational Metrics

		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)
Stripping ratio	m^3: m^3	**12.8**	12.8	-
Reef milled	kt	**5 409.8**	5 608.2	(3.5)
PGM flotation feed	kt	**4 122.0**	4 274.5	(3.6)
PGM rougher feed grade	g/t	**1.64**	1.70	(3.5)
PGM recovery	%	**66.5**	76.6	(13.2)
6E PGMs produced	koz	**144.7**	179.2	(19.3)
Platinum	koz	**80.3**	99.0	(18.9)
Palladium	koz	**24.8**	30.0	(17.3)
Rhodium	koz	**13.5**	17.2	(21.5)
Average PGM contained metal basket price	US$/oz	**1 893**	2 564	(26.2)
Platinum price	US$/oz	**981**	968	1.3
Palladium price	US$/oz	**1 594**	2 107	(24.3)
Rhodium price	US$/oz	**8 992**	14 962	(39.9)
Average PGM contained metal basket price	ZAR/oz	**34 107**	40 437	(15.7)
Cr_2O_3 ROM grade	%	**17.9**	17.4	2.9
Chrome recovery	%	**67.6**	68.3	(1.0)
Chrome yield	%	**29.2**	28.2	3.5
Chrome concentrates produced (excluding third party)	kt	**1 580.1**	1 582.7	(0.2)
Metallurgical grade	kt	**1 356.9**	1 233.2	10.0
Specialty grades	kt	**223.2**	349.5	(36.1)
Third party chrome production	kt	**201.9**	188.2	7.3
Average metallurgical grade chrome concentrate contract price – 42% basis	US$/t	**263**	209	25.8
Metallurgical grade chrome concentrate contract price	ZAR/t CIF China	**4 840**	3 345	44.7

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		**(0.9)**	(0.3)	-
Net debt/equity	%	**(19.2)**	(13.0)	-
Exchange rate (ZAR:US$) - average		**18.2**	15.8	15.2

Market Review

PGMs

Despite the concentration of production and the complexity of extracting PGMs – South Africa is responsible for roughly 75% and 80% of refined platinum and rhodium production respectively – pricing is not currently reflective of factual supply demand fundamentals. The price movements were dominated by continued pricing pressure with the uncertainty of the macro-global economic outlook having a direct effect on the demand for the precious metals. This is overlain by further uncertainty on the future market share of the internal combustion engine (ICE). With the decline in PGM prices, analysts have cautioned that higher-cost producers within the PGM industry are not profitable. In the medium to longer-term, demand drivers, including for the ICE, Battery Electric Vehicles and Hybrid Engines together with the evolving hydrogen economy, possible supply cuts at unprofitable PGM producers, project delays and capital discipline will require a recovery in PGM prices to ensure demand is met by supply.

The average basket price of US$1 893/oz (FY2022: US$2 564/oz) for the year retreated by 26.2% following a decline of 16.6% in the prior year, negatively impacting on the higher-cost PGM producers with a real possibility of a reduction in supply due to lack of available capital for future development and investment. This possibility remains real even as the exchange rate assisted somewhat in shielding the industry from the price decline over the past 24 months. For FY2021, the average exchange rate against the US dollar was 14.8, while the average exchange rate for FY2022 was 15.8, weakening significantly in FY2023 at 18.2. This means that the price received in ZAR, while still down on an annualised basis, was weaker by only 15.7%, achieving an average of ZAR34 107/oz compared to a higher price of ZAR40 437/oz in FY2022.

Chrome

The chrome market showed its ongoing resilience as solid demand meant prices averaged well above those in previous years. Reduced port inventory in China highlights the tight market balance underpinned by the growth in the Chinese domestic ferrochrome and stainless steel industries. Supply chain complexities are exacerbated by constrained rail, road and port logistics in South Africa and the effect of erratic electricity supply from Eskom. In addition, there have been no major primary output increases in the local market due to the lack of available resources and power constraints for smaller producers unable to access standby power or logistics capacity. The chrome market looks set to consolidate its strong pricing in the coming year, particularly as new furnace commissioning continues to draw on material demand.

Chrome production and sales were flat year on year, with Tharisa's output at 1.58 Mt, however, with an average metallurgical price received of US$263/t, an increase of 25.8% compared to US$209/t in FY2022.

Tharisa remains a major player in the global chrome industry, supplying approximately 10% of China and Indonesia's annual demand for the metal. Tharisa remains a significant player in the specialty chrome market, with roughly 15% of the average annual chrome output delivered into these markets. The prices of these products (chemical and foundry chrome) attract a premium over metallurgical grade chrome ore.

Operational Review

As reported during the year, we faced several operational challenges, with the mining operations being impacted by severe and unprecedent rainfall in the first quarter, not seen in our operational history. In addition, there are limitations on our ability to mine the full strike length due to the proximity of nearby communities.

To ensure in-pit flexibility and sustainable mining going forward, a mining contractor was appointed on a short-term basis to assist with the backlog of waste mining. While benefits were seen in the last quarter the overall stripping ratio for the year was reported flat at 12.8 m^3:m^3.

Additional mitigation measures to maintain plant throughput and to build an appropriate ROM stockpile ahead of the processing plants included securing third party ore to supplement feed to the plants, maintaining our processing capacity at 5.4 Mt (2022: 5.6 Mt). The mix of feedstock to the processing plants, however impacted the plant recoveries, owing to the ratio of oxidised ore and different ore blends compared to the ore blend from our own mining.

PGM production for the year reported at 144.7 koz, a reduction of 19.3% compared to the prior year. Total chrome production achieved similar levels to last year of 1.58 Mt, which included a larger portion of chrome reporting from our unique fine chrome recovery Vulcan Plant.

A strategic review of our mining operations is being undertaken to ensure cost effective long term sustainable operations. The review will address the constraints of the open pit operations, evaluating the planning of long-term reef access. The necessary assessments and studies have commenced to progress beyond the prefeasibility study of the underground mining operation. A measured and staged approach, including concurrent underground on reef development in the west pit, while open pit operations continue in the east pit, allowing the necessary timeframes to mine the resource optimally. This staged approach would initiate shallow underground mechanised operations while balancing the open pit fleet replacement strategy. This prudent decision will maintain the mines operational flexibility and provides further de-risking to sustainably accessing the multidecade resource.

Development Project

Karo Mining Holdings

Construction at the Karo Platinum 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.

Given the current PGM basket price weakness and uncertain global economic outlook, we have taken the measured decision to extend the Karo Platinum Project 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.

The Group owns 75.0% of Karo Mining Holdings, once further equity has been invested will result in an 80.0% ownership.

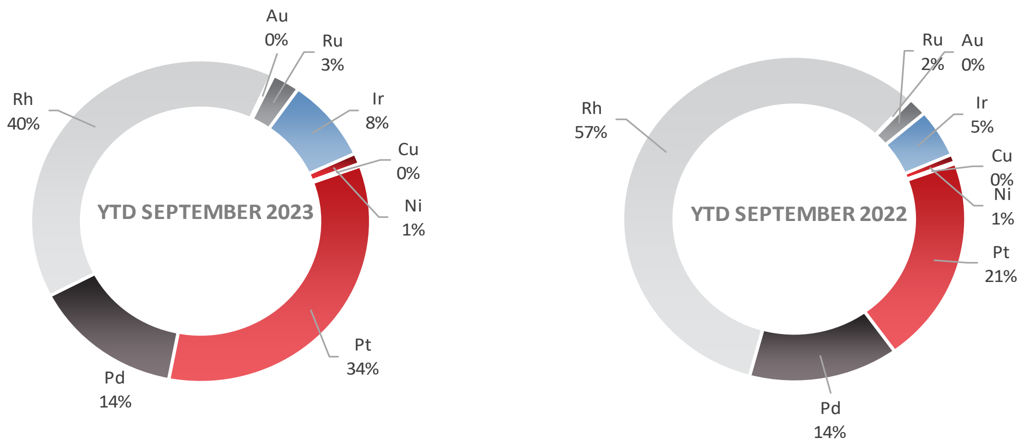
Energy Transition – Mine to Megawatt

Redox One, a wholly owned subsidiary, 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. Redox One is utilising a proprietary manufacturing process for electrolyte from chromium ore.

Financial Review

Revenue for the period amounted to US$649.9 million (2022: US$686.0 million), a marginal decrease of 5.3% as a result of the decline in PGM prices offset by the uptick in realised chrome prices.

PGM revenue for the period contributed 30.5% of the total revenue at US$198.5 million. The breakdown of the PGM revenue is depicted in the graph below, reflecting the contribution from rhodium being the dominant share of the PGM revenue basket while contributing less than 10.0% of the PGM prill split.

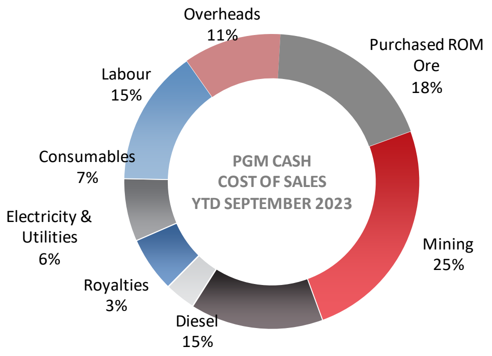


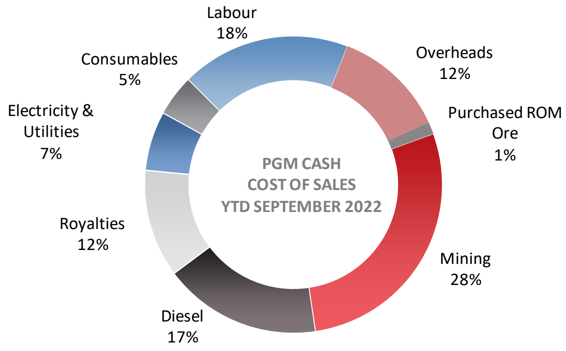
Our margins remain healthy due to our mechanised low-cost operations which benefitted the Group well given the uptick in ZAR inflationary and operational cost pressures experienced during the period. These cost pressures were partially offset by the depreciation of the ZAR:US$ by 15.2%.

Chrome contributed 60.0% of total revenue at US$390.0 million with revenue increasing 32.1% primarily due to a 25.8% increase in metallurgical grade selling prices as chrome sales volumes remained relatively consistent at 1 530.6 kt (2022: 1 526.0 kt). Metallurgical grade sales totalled 1 319.3 kt (2022: 1 219.2 kt), an 8.2% increase and specialty grade, higher value, sales totalled 211.3 kt (2022: 306.8 kt), a 31.1% decrease.

As a co-producer of PGMs and chrome concentrates, the shared costs of production for segmental reporting purposes are based on the relative contribution to revenue at the Tharisa Minerals level on an ex-works basis. As a result of the increase in chrome sales prices, the shared costs allocation was revised to 55.0% allocated to the chrome segment (2022: 30.0%) and 45.0% to the PGM segment (2022: 70.0%).

The major on-mine cash cost of sales (excluding selling expenses and including purchased ROM ore) are summarised in the graph below.





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 further analyses the costs on a per tonne milled basis. Costs related to deferred stripping (which are capitalised) of US$4.4 million (2022: US$15.1 million) were excluded from the per tonne milled analysis.

Metric	Unit	30 September 2023	30 September 2022	% Change
Cost per cube mined	USD/m^3	10.4	8.5	22.1
Reef mined	kt	4 177.3	5 505.4	(24.1)
Cost per reef tonne	USD/t	38.8	32.4	19.9
Tonnes milled	kt	5 409.8	5 608.2	(3.5)
On mine cash cost per tonne milled	USD/t	56.7	46.4	22.2
Consolidated cash cost per tonne milled	USD/t	62.2	52.9	17.7

Average sea freight rates decreased 35.6% during the period to US$22.9/t (2022: US$35.7/t).

Gross profit for the period amounted to US$153.3 million (2022: US$245.7 million). The gross profit margin decreased to 23.6% (2022: 35.8%) primarily due to lower PGM prices and sales volumes partially offset by steady chrome sales volumes, consistent gains in realised chrome prices as well as the benefit of the weaker ZAR to US$ exchange rates negating the impact of the inflationary cost pressures incurred in ZAR with further relief from the lower freight rates.

EBITDA decreased by 42.4% totalling US$136.8 million (2022: US$237.3 million).

The Group generated a profit before tax of US$114.3 million (2022: US$220.2 million) a 48.1% decrease softened by positive net fair value gains of US$22.0 million.

The tax charge totalled US$27.6 million (2022: US$53.1 million) with an effective tax charge of 24.1% (2022:24.1%) for the period. Cash taxes paid amounted to US$30.0 million (2022: US$41.2 million).

Total comprehensive income for the period, as a consequence of a foreign currency translation charge of US$12.8 million (2022: US$69.7 million loss) amounted to US$73.9 million (2022: US$97.4 million).

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

The return on invested capital calculated as the net operating profit after tax divided by the average invested capital (comprising of total assets less cash and non-interest-bearing short-term liabilities), for the period under review was 10.5% (2022: 23.5%).

The Group has continued to increase its shareholding in Karo Mining Holdings as it subscribed for new ordinary shares for a cash subscription of US$65.0 million, increasing its shareholding to 75.0%. Karo Mining Holdings controls an indirect 85.0% of the shareholding of Karo Platinum with the Republic of Zimbabwe (through Generation Minerals) holding the remaining 15.0% on a free funded carry basis.

The syndicated ABSA and SOCGEN facilities of US$130.0 million were concluded during the period, comprising of a US$80.0 million term loan and US$50.0 million revolving credit facility with a tenor of 42-months for each facility. During September 2023, US$80.0 million (the total facility) of the term loan was drawn. 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 (cash settled) equal to the capital repayments of the term loan on a rolling 12-month basis. Tharisa Minerals has therefore hedged certain of its platinum and palladium sales. The Group has not yet drawn on the US$50.0 million revolving credit facility.

An amount of US$60.0 million of the ABSA bridge facility was drawn during the financial year. The bridge facility was repayable over a 12-month period. The bridge facility was repaid in full during September 2023 as part of the initial drawdown of the syndicated ABSA/SOCGEN term loan.

Finance costs for the period totalled US$7.1 million (2022: US$4.8 million) a 49.2% increase due to the increases in global interest rates in an attempt by central banks to curb trailing core inflation as well as the increased debt following the drawdown of the bridge loan.

Total capital expenditure amounted to US$97.1 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 from operations before movements in working capital for the period amounted to US$142.6 million. Working capital movements include (i) a decrease in inventories of US$18.8 million, (ii) an increase in trade and other receivables of US$39.6 million, (iii) an increase in trade and other payables of US$0.7 million and, (iv) an increase in provisions of US$6.9 million, which resulted in net cash flows from operating activities after tax of US$148.3 million.

After taking into account, inter alia, debt and interest repayments, 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.

Dividend

In accordance with Tharisa's dividend policy of distributing at least 15.0% of the annual NPAT. The Board has proposed a final dividend of US 2.0 cents per share subject to the necessary shareholder approval at the Annual General Meeting. This is in addition to the interim dividend of US 3.0 cents per ordinary share. The total dividend amounts to US 5.0 cents per ordinary share representing a payout ratio of 17.3% of NPAT.

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Connect with us on LinkedIn to get further news and updates about our business.

Investor Relations Contacts:
Ilja Graulich (Head of Investor Relations and Communications)
+27 11 996 3500
+27 83 604 0820
igraulich@tharisa.com

Broker Contacts:
Peel Hunt LLP (UK Joint Broker)
Ross Allister / Georgia Langoulant
+44 207 7418 8900

BMO Capital Markets Limited (UK Joint Broker)
Thomas Rider / Nick Macann
+44 207 236 1010

Berenberg (UK Joint Broker)
Matthew Armitt / Jennifer Lee / Detlir Elezi
+44 203 207 7800

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 mine has a 13-year open pit life and is strategically advancing the vast mechanised underground resource which extends for over 60 years. Tharisa is developing Karo Platinum, a 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 to become net carbon neutral by 2050. As part of this energy transition, the 40MW solar project adjacent to the Tharisa Mine is well advanced. Redox One, a wholly owned subsidiary, is accelerating the development of proprietary iron chromium redox flow long duration battery utilising the commodities we mine. Tharisa plc is listed on the Johannesburg Stock Exchange (JSE: THA) and the Main Board of the London Stock Exchange (LSE: THS).

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements for the year ended 30 September 2023 have been extracted from the audited financial statements of the Group, but have not been audited. The auditor's report on the audited financial statements does not report on all of the information contained herein. Shareholders are therefore advised that in order to obtain a full understanding of the financial position and results of the Group, these condensed consolidated financial statements should be read together with the full audited financial statements and full audit report.

These condensed consolidated financial statements and the audited financial statements, together with the audit report, are available on the Company's website, www.tharisa.com, and are available for inspection at the registered address of the Company.

The directors take full responsibility for the preparation of this report and the correct extraction of the financial information from the underlying financial statements.

The directors of the Company are responsible for the maintenance of adequate accounting records and the preparation of the financial statements and related information in a manner that fairly presents the state of affairs of the Company. These financial statements are prepared in accordance with International Financial Reporting Standards and incorporate full and responsible disclosure in line with the accounting policies of the Group, which are supported by prudent judgement.

The directors are also responsible for the maintenance of effective systems of internal control, which are based on established organisational structure and procedures. These systems are designed to provide reasonable assurance as to the reliability of the financial statements, and to prevent and detect material misstatement and loss.

Ernst & Young Cyprus Limited has expressed an unmodified audit opinion in the Independent Auditor's Report dated 12 December 2023 on the audited consolidated financial statements. That report also includes the communication of key audit matters and is available on the Company's website: www.tharisa.com.

The preparation of these condensed results was supervised by the Chief Finance Officer, Michael Jones, a Chartered Accountant (SA).

The condensed consolidated financial statements have been prepared on a going concern basis, as the directors believe that the Group will continue to be in operation in the foreseeable future. The consolidated annual financial statements have been approved by the Board on 12 December 2023.

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

- The condensed consolidated financial statements, 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 condensed consolidated 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 condensed consolidated financial statements 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

tharisa
plc

CONDENSED 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		**2 372**	720
Net foreign exchange (loss)/gain		**(3 590)**	2 049
Other operating expenses	7	**(57 422)**	(63 880)
Results from operating activities		**94 691**	184 549
Finance income		**4 772**	1 376
Finance costs		**(7 101)**	(4 758)
Changes in fair value of financial assets at fair value through profit or loss	20	**5 151**	(5 627)
Changes in fair value of financial liabilities at fair value through profit or loss	20	**16 827**	1 521
Gain on acquisition of subsidiary		**-**	48 391
Share of loss of investment accounted for using the equity method		**-**	(5 229)
Profit before tax		**114 340**	220 223
Tax	8	**(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)	9	**27.4**	53.8
Diluted earnings per share (US cents)	9	**27.2**	53.8

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 September 2023

The notes are an integral part of these condensed consolidated financial statements.

tharisa plc

CONDENSED 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	10	**609 694**	569 580
Intangible assets		**1 555**	940
Financial and other assets	11	**19 834**	6 019
Deferred tax assets		**1 709**	1 174
Total non-current assets		**632 792**	577 713
Current assets			
Inventories	12	**90 080**	73 240
Trade and other receivables	13	**103 741**	149 669
Contract assets		**1 876**	2 078
Financial and other assets	11	**2 404**	19
Current taxation		**1 851**	7 302
Cash and cash equivalents	14	**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	15	**346 293**	345 897
Other reserve		**47 245**	47 245
Foreign currency translation reserve		**(205 350)**	(192 519)
Retained earnings		**427 686**	358 403
Equity attributable to owners of the Company		**615 874**	559 026
Non-controlling interests		**59 302**	61 355
Total equity		**675 176**	620 381
Non-current liabilities			
Provisions	16	**19 335**	12 376
Borrowings	17	**76 385**	23 048
Other financial liabilities		**11**	16 779
Deferred tax liabilities		**110 045**	112 341
Total non-current liabilities		**205 776**	164 544
Current liabilities			
Provisions*	16	**47 715**	50 444
Borrowings	17	**63 271**	39 836
Other financial liabilities	18	**-**	526
Current taxation	19	**766**	2 056
Trade and other payables*		**93 464**	73 456
Contract liabilities		**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 condensed consolidated financial statements were authorised for issue by the Board of Directors on 12 December 2023.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2023

Phoevos Pouroulis
Director

Michael Jones
Director

The notes are an integral part of these condensed consolidated financial statements.

tharisa plc

CONDENSED 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 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		-	-	-	**(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	25	-	-	-	-	**(20 990)**	**(20 990)**	-	**(20 990)**
Issue of ordinary shares	15	-	**396**	-	-	-	**396**	-	**396**
Increase in shareholding of subsidiaries – Karo Mining Holdings plc	15	-	-	-	-	**6 594**	**6 594**	**(6 594)**	-
Equity-settled share-based payments		-	-	-	-	**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 are an integral part of these condensed consolidated financial statements.

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CONDENSED 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		-	-	-	(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	25	-	-	-	-	(23 106)	(23 106)	(164)	(23 270)
Issue of ordinary shares	15	29	56 050	-	-	-	56 079	-	56 079
Acquisition of non-controlling interest – Tharisa Minerals (Pty) Ltd		-	-	-	(34 732)	25 578	(9 154)	(16 473)	(25 627)
Increase in shareholding of subsidiaries – Karo Mining Holdings plc	15	-	-	-	-	4 509	4 509	(4 509)	-
Acquired through business combination		-	-	-	-	-	-	66 181	66 181
Shares issued by subsidiary to non-controlling shareholders		-	-	-	-	-	-	13	13
Equity-settled share-based payments		-	-	-	-	(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

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 30 September 2023

Balance at 30 September 2022	300	345 597	47 245	(192 519)	358 403	559 026	61 355	620 381

The notes are an integral part of these condensed consolidated financial statements.

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CONDENSED 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	10	**39 241**	38 796
(Profit)/loss on disposal of property, plant and equipment	10	**(19)**	1 482
Share of loss of investment accounted for using the equity method		**-**	5 229
Impairment of goodwill		**-**	1 852
Net realisable value (write down reversal)/write down of inventory	12	**(243)**	3 562
Impairment of property, plant and equipment	10	**-**	8 366
Write off of property, plant and equipment	10	**3 454**	1 328
Expected credit loss allowance (reversal)/raised	13	**(114)**	47
Equity-settled share-based payments		**1 999**	1 709
Changes in fair value of financial assets at fair value through profit or loss	20	**(5 151)**	5 627
Changes in fair value of financial liabilities at fair value through profit or loss	20	**(16 827)**	(1 521)
Gain on acquisition of subsidiary		**-**	(48 391)
Net foreign exchange loss/(gain)		**3 590**	(2 049)
Interest income		**(4 772)**	(1 376)
Interest expense		**7 101**	4 758
Tax	8	**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		**(29 985)**	(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	10	**(69 884)**	(105 014)
Additions to intangible assets		**(649)**	-
Cash inflow from business combination		**-**	4 984
Proceeds from disposal of property, plant and equipment	10	**129**	1 727
Additions to investments accounted for using the equity method		**-**	(4 965)
Increase in restricted cash	11	**(14 268)**	-
Refunds from other assets	11	**-**	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	17	**(23 799)**	22 026
Advances received	17	**180 082**	20 942
Repayment of borrowings	17	**(77 422)**	(14 406)
Principal lease payments	17	**(2 500)**	(3 793)
Dividends paid	25	**(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)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 September 2023

Cash and cash equivalents at the end of the year	14	**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 are an integral part of these condensed consolidated financial statements.

1. REPORTING ENTITY

Tharisa plc ('the Company') is a company domiciled in Cyprus. These condensed consolidated financial statements of the Company for the year ended 30 September 2023 comprise the Company and its subsidiaries (together referred to as 'the Group'). 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. The Company is listed on the main board of the Johannesburg Stock Exchange and has a secondary standard listing on the main board of the London Stock Exchange and a secondary listing on the A2X Exchange in South Africa.

2.1. BASIS OF PREPARATION

Statement of compliance
These condensed consolidated financial statements have been prepared in accordance with the Listings Requirements of the Johannesburg Stock Exchange and, as a minimum, contain the information required by International Accounting Standards 34 Interim Financial Reporting. Selected explanatory notes are included to explain events and transactions that are significant to obtain an understanding of the changes in the financial position and performance of the Group since the last consolidated financial statements as at and for the year ended 30 September 2022. These condensed consolidated financial statements do not include all the information required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards ('IFRS'). The condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 30 September 2023, which have been prepared in accordance with IFRS.

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.

These condensed consolidated financial statements were approved by the Board of Directors on 12 December 2023.

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

Functional and presentation currency
The condensed 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 condensed consolidated financial statements:
- Closing rate: ZAR18.91 (2022: ZAR18.07)
- Average rate: ZAR18.18 (2022: ZAR15.82)

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

Accounting policies
The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those applied in the preparation of the Group's consolidated financial statements for the year ended 30 September 2023.

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 2022:
- *Annual Improvements to IFRS Standards 2018-2020*
- *Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37*
- *Reference to the Conceptual Framework – Amendments to IFRS 3*

The adoption of these amendments had no impact on the Group's results for the year ended 30 September 2023. The adoption of all other standards, amendments or interpretations had no impact on the 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*
- *International Tax Reform – Pillar Two Model Rules - Amendments to IAS 12*
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12*
- *Definition of Accounting Estimate – Amendments to IAS 8*
- *Disclosure of Accounting Policies – Amendments to IAS 1*

3. USE OF JUDGEMENTS AND ESTIMATES

Preparing the condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated financial statements, significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements at and for the year ended 30 September 2023. The condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 30 September 2023 which contain detail of significant judgements and estimates.

4. OPERATING SEGMENTS

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**

4. OPERATING SEGMENTS (continued)

2022	PGM US$'000	Chrome US$'000	Agency and trading US$'000	Manufacturing US$'000	Total US$'000
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.

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, intangible assets and investment accounted for using the equity method ('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

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

Japan	-	8 748	4 846	-	13 594
Other countries	-	93	168	808	1 069
	346 781	295 178	40 526	3 511	685 996

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

4. OPERATING SEGMENTS (continued)

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.

5. REVENUE

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 20)	**(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

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

Revenue from contracts with customers	332 509	295 178	40 526	3 511	671 724
Fair value adjustments (refer to note 20)	14 272	-	-	-	14 272
Total revenue	346 781	295 178	40 526	3 511	685 996

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 September 2023

6. COST OF SALES

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.

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

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

7. OTHER OPERATING EXPENSES

	2023 US$'000	2022 US$'000
Directors and staff costs		
Non-executive directors	**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	**-**	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

8. TAX

	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	**609**	9 899
Deferred tax – prior year under provision	**128**	-
	737	9 899
Special contribution for defence in Cyprus	**118**	1
Dividend withholding tax	**658**	2 572
Tax charge	**27 564**	53 067

8. 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	**-**	232	**-**	519
Impairment of property, plant and equipment	**-**	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.

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9. EARNINGS PER SHARE

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
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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2021

10. PROPERTY, PLANT AND EQUIPMENT (continued)

Cost	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
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).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2021

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).

10. 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	-	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	-	-	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

10. 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 17). 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 17).

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.

11. FINANCIAL AND OTHER ASSETS

Non-current assets: financial assets	*Fair value hierarchy*	2023 US$'000	2022 US$'000
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.

PGM commodity hedging derivative

In terms of the commodity off-take financing (note 17), 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.

11. FINANCIAL AND OTHER ASSETS (continued)

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 17). 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.

12. INVENTORIES

	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%).

13. TRADE AND OTHER RECEIVABLES

	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 21)	**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 table below summarises the maturity 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

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.

14. CASH AND CASH EQUIVALENTS

	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 amounts reflected approximate fair value.

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.

15. SHARE CAPITAL AND RESERVES

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				
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
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

Increase in shareholding in Karo Mining Holdings plc ('Karo Mining')
The Company acquired the controlling interest in Karo Mining at 30 March 2022 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

16. PROVISIONS

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	**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.

16. 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.

17. BORROWINGS

	2023 US$'000	2022 US$'000
Non-current		
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$50 million facility, secured by commodity off-take agreements, PGM commodity hedging derivative (note 11) and restricted cash (note 11). Interest accrues at the SOFR plus 360 basis point on the term loan and the SOFR plus 420 basis points on the revolving facility. The conditions precedent were fulfilled on 22 September 2023 and the first drawdown occurred on 28 September 2023. The financing is repayable in 42 months from October 2023. The revolving US$ 50 facility remains undrawn as at 30 September 2023. The bridge term loan was repaid upon the first drawdown.

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.

17. 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**

17. 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

18. OTHER FINANCIAL LIABILITIES

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 11)	Level 2	**-**	**189**
		-	**526**

Option granted to NCI to call upon shares in Karo Platinum (Private) Limited (refer to note 18)
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.

19. TRADE AND OTHER PAYABLES

	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 21)	**109**	113
Other payables	**112**	587
	93 464	73 456

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.

The fair values of the net identifiable assets acquired were determined independently by using the sum of the parts methodology. The market multiple approach was used to determine the fair value of Karo Platinum (Private) Limited while the net asset value approach was used to determine the fair values of the remaining entities. Since the effective acquisition date is 30 March 2022, the Karo Group's results have been consolidated within the Group's results. Up to the effective acquisition date the Karo Group's results were equity accounted at the Group's proportionate share in the investment.

20. FINANCIAL RISK MANAGEMENT

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$'000**	2022 US$'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
Investments in equity instruments	Level 1	**19**	18	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)

20. FINANCIAL RISK MANAGEMENT (continued)

Financial liabilities measured at fair value	Fair value level	Fair value 2023 US$'000	Fair value 2022 US$'000	Valuation technique and key inputs
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 13 for the fair value recognised relating to the PGM discounting receivable.

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')
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

20. FINANCIAL RISK MANAGEMENT (continued)

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

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)

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:

Strike price:	US$71.8 million	Independently verified net present value of Karo Platinum as at 30 March 2022 using a discounted cash flow model
Valuation of 11.0% of Karo Platinum at 30 September 2022:	US$59.5 million	Discounted cash flow model
Volatility:	4.4%	Sector volatility (converted to monthly)
Drift:	1.5%	Risk free rate (converted to monthly) based on the US risk free zero yield curve at 31 August 2022 based on the Svensson method and includes a country risk premium for the operations being in Zimbabwe. The country risk premium for Zimbabwe was sourced from Damodaran.
Time step:	1.0	Annual time intervals
Discount rate:	0.83%	Converted to monthly

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**
Discount rate minus 5.0%	16 795	(16)
Discount plus 5.0%	16 763	16
Volatility minus 10.0%	16 299	480
Volatility plus 10.0%	17 296	(517)

21. RELATED PARTY TRANSACTIONS AND BALANCES

	2023 US$'000	2022 US$'000
Trade and other receivables (note 13)		
Rocasize Proprietary Limited	**112**	31
Salene Mining Proprietary Limited	**-**	13
The Leto Settlement	**-**	13
	112	57
Trade and other payables (note 19)		
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
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

21. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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

Relationships between parties:

Thari Resources Proprietary Limited
A former shareholder of Tharisa Minerals Proprietary Limited.

The Tharisa Community Trust and Rocasize Proprietary Limited
The Tharisa Community Trust is a former shareholder of Tharisa Minerals Proprietary Limited. 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. 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.

22. 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 23 for guarantees

23. 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.

23. CAPITAL COMMITMENTS AND GUARANTEES (continued)

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)).

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.

24. EVENTS AFTER THE REPORTING PERIOD

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.

25. DIVIDENDS

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.