

**Tharisa plc**

(Incorporated in the Republic of Cyprus with limited liability)

(Registration number HE223412)

JSE share code: THA

LSE share code: THS

A2X share code: THA

ISIN: CY0103562118

LEI: 213800WW4YWMVVZIJM90

('Tharisa' or the 'Company')

**PRODUCTION REPORT FOR THE FOURTH QUARTER AND YEAR ENDED 30 SEPTEMBER 2023**

Tharisa, the platinum group metals (PGMs) and chrome co-producer dual-listed on the Johannesburg and London stock exchanges, announces its production results for Q4 and financial year ended FY2023<sup>1</sup> and cash balance as at the year end.

**Quarter highlights**

- Lost Time Injury Frequency Rate ('LTIFR') of 0.11 per 200 000-man hours worked
- Annual output
  - Chrome production for the year at 1 580.1 kt (FY2022: 1 582.7 kt) with Q4 at 413.4 kt (Q3 FY2023 378.8 kt)
  - PGM production for the year at 144.7 koz (FY2022: 179.2 kt) with Q4 at 30.7 koz (Q3 FY2023: 37.0 koz)
- Strong increase in reef mining volumes quarter on quarter, up 27.5% to 1 158.9 kt (Q3 FY2023: 908.8 kt)
- Average annual metallurgical grade chrome concentrate prices up 26.2% at US\$263/t (FY2022: US\$209/t)
- Significant quarter-on-quarter PGM price decrease of 21.5% to US\$ 1 331/oz (Q3 FY2023: US\$ 1 695/oz) (6E basis) accelerated the annual price retreat of 26.1% with average prices received at US\$1 893/oz (FY2022: US\$2 564/oz)
- The continued weakening of PGM prices and macro economics has resulted in a prudent and strategic decision to extend the Karo Platinum Project timeline for commissioning by 12 months to 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
- Group cash on hand increased to US\$268.8 million (30 June 2023: US\$242.6 million), and debt of US\$142.2 million (30 June 2023: US\$101.1 million), resulting in a net cash position of US\$126.6 million (30 June 2023: US\$141.5 million)
- 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

---

<sup>1</sup> Tharisa's financial year is from 01 October to 30 September

## Key Operating Numbers

		Quarter ended 30 Sep 2023	Quarter ended 30 Jun 2023	Quarter on quarter movement %	Quarter ended 30 Sep 2022	Year ended 30 Sep 2023	Year ended 30 Sep 2022	Year on year movement %
Reef mined	kt	1 158.9	908.8	27.5	1 314.7	4 177.3	5 505.4	(24.1)
Reef milled	kt	1 310.2	1 302.2	0.6	1 446.8	5 409.8	5 608.2	(3.5)
PGMs produced (6E)	koz	30.7	37.0	(17.0)	45.3	144.7	179.2	(19.3)
Chrome concentrates produced (excluding third party)	kt	413.4	378.8	9.1	416.2	1 580.1	1 582.7	(0.2)
Average PGM basket price	US\$/oz	1 331	1 695	(21.5)	2 400	1 893	2 564	(26.2)
Average metallurgical grade chrome concentrate contract price – 42% basis	US\$/t	291	292	(0.3)	226	263	209	25.8

### Phoevos Pouroulis, CEO of Tharisa, commented:

*“The divergence in commodity prices could not have been more visible than the past quarter which saw us touching 52-week highs in the chrome market based on solid fundamentals, but these fundamentals were distinctly lacking in the PGM market, which saw prices drop more rapidly and lower than the market anticipated, resulting in broad based challenges for the PGM market on the supply side.*

*While current markets are volatile and unpredictable, we believe in the medium term outlook for PGMs underpinned by a supply side constrained economy, this supported by a robust chrome market driven by stable demand.*

*At Tharisa, our co-product model showed its resilience once again, supported by a strong recovery in chrome production in the second half of the year and benefiting from a 26% increase in price. The earlier operational mining challenges and resulting ore mix from our own ore and purchased ore did have a negative impact on PGM recovery and thus production, however, this was supported by a strong focus and recovery in chrome in the second half of the year. The waste contractor is now firmly in place, and we see a recovery in waste mining volumes for FY2024, however, we remain cautious on our production outlook as evidenced by our guidance for the coming year.*

*Our margins remain strong due to our mechanised low cost operations, with a continued disciplined capital allocation strategy, ensuring investment in our existing businesses, providing sustainable growth and return to shareholders.*

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

*Our growth strategy remains firmly intact, with continuous optimisation at the Tharisa Mine, investment in downstream beneficiation, and our commitment to the development of the multi-generational Tier 1 Karo Platinum Project.”*

## Health & Safety

- The health and safety of our stakeholders remains a core value to the Group and Tharisa continues to strive for zero harm at its operations
- LTIFR of 0.11 per 200 000-man hours worked

## Market Update

- The chrome market continues to support sustainable pricing which is driven by supply-demand fundamentals. Reduced port inventory in China highlights the tight market balance underpinned by the growth in Chinese domestic ferrochrome and stainless steel industries. Supply chain complexities are exacerbated by constrained rail and port logistics in South Africa together with the effect of erratic electricity supply from Eskom
- PGM market remains under continued pricing pressure with uncertainty of the macro global economic outlook having a direct effect on the demand for the precious metals. This is overlain by further indecisiveness on the future of the internal combustion engine (ICE). During the latter half of Q4 FY2023 with the steep decline in PGM prices, analysts have cautioned that higher cost producers within the PGM industry are not profitable at these commodity prices. The 'higher for longer' concerns of the global interest rate market have impacted prices for now and we see muted upside in the short term for PGM prices. In the medium to longer term demand drivers including the hydrogen economy, possible supply cuts at unprofitable PGM producers, project delays and capital discipline versus demand for the ICE, will require a recovery in PGM prices to ensure demand is met by supply

## Operational Update

- Improved quarterly reef mined of 1 158.9 kt (Q3 FY2023: 908.8 kt)
- Annual reef mined down 24.1% to 4 177.3 kt (FY2022: 5 505.4 kt) due to inclement weather and constrained pit flexibility
- Total annual reef tonnes milled flat at 5 409.8 kt (FY2022: 5 608.2 kt) as strategic ROM ore purchases supplemented own mine production with Q4 FY2023 milling at 1 310.2 kt (Q3 FY2023: 1 302.2 kt)
- Annual chrome production at 1 580.1kt (FY2022: 1 582.7 kt)
  - Grade of 17.9% Cr<sub>2</sub>O<sub>3</sub> (FY2022: 17.4%)
  - Recovery at 67.6% (FY2022: 68.3%)
- Quarterly chrome production at 413.4 kt (Q3 FY2023: 378.8 kt)
  - Grade of 18.7% Cr<sub>2</sub>O<sub>3</sub> (Q3 FY2023: 17.8%)
  - Recovery at 70.0% (Q3 FY2023: 67.9%)
  - Vulcan contributing to strong chrome recovery
- Annual PGM production at 144.7 koz (FY2022: 179.2 koz)
  - Rougher feed grade of 1.64 g/t (FY2022: 1.70 g/t)
  - Recovery of 66.5% (FY2022: 76.6%) as a result of ore mix from oxidised material and purchased ROM impacting recoveries
- Quarterly PGM production at 30.7 koz (Q3 FY2023: 37.0 koz)
  - Rougher feed grade of 1.57 g/t (Q3 FY2023: 1.67 g/t)
  - Recovery of 62.7% (Q3 FY2023: 69.0%)

## Karo Platinum Update

- One LTI recorded on the project for the year under review
- The PGM price environment has necessitated a review of the commissioning timeline of the Karo Platinum Project
  - First ore in mill (FOIM) now planned for June 2025
  - Project team has divided major workstreams into smaller commitments to ensure continued development aligned with funding availability
- Manufacturing of key long-lead items nearing completion
- Revised workstreams designed to accelerate the project implementation should the PGM market become more favourable
- Pilot mining is continuing as planned to optimise mining design
- Additional current resource to reserve conversion underway

### Cash Balance and Debt Position

Tharisa had a cash balance of US\$268.8 million (30 June 2023: US\$242.6 million) at the end of the quarter, and debt of US\$142.2 million (30 June 2023: US\$101.1 million), resulting in a net cash position of US\$126.6 million (30 June 2023: US\$141.5 million).

### Guidance

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.

Any forward looking statements have not been reported on or reviewed by Tharisa's auditors.

### Production Numbers

		Quarter ended 30 Sep 2023	Quarter ended 30 Jun 2023	Quarter on quarter movement %	Quarter ended 30 Sep 2022	Year ended 30 Sep 2023	Year ended 30 Sep 2022	Year on year movement %
Reef mined	kt	<b>1 158.9</b>	908.8	27.5	1 314.7	<b>4 177.3</b>	5 505.4	(24.1)
Stripping ratio	m <sup>3</sup> : m <sup>3</sup>	<b>14.0</b>	14.2	(1.4)	13.3	<b>12.8</b>	12.8	-
Reef milled	kt	<b>1 310.2</b>	1 302.2	0.6	1 446.8	<b>5 409.8</b>	5 608.2	(3.5)
PGM flotation feed	kt	<b>970.6</b>	996.5	(2.6)	1 108.1	<b>4 122.0</b>	4 274.5	(3.6)
PGM rougher feed grade	g/t	<b>1.57</b>	1.67	(6.0)	1.67	<b>1.64</b>	1.70	(3.5)
PGM recovery	%	<b>62.7</b>	69.0	(9.1)	76.2	<b>66.5</b>	76.6	(13.2)
6E PGMs produced	koz	<b>30.7</b>	37.0	(17.0)	45.3	<b>144.7</b>	179.2	(19.3)
Platinum produced	koz	<b>17.3</b>	20.9	(17.2)	25.0	<b>80.3</b>	99.0	(18.9)
Palladium produced	koz	<b>5.2</b>	6.6	(21.2)	7.9	<b>24.8</b>	30.0	(17.3)
Rhodium produced	koz	<b>3.0</b>	3.4	(11.8)	4.4	<b>13.5</b>	17.2	(21.5)
Average PGM contained metal basket price	US\$/oz	<b>1 331</b>	1 695	(21.5)	2 400	<b>1 893</b>	2 564	(26.2)
Platinum price	US\$/oz	<b>940</b>	1 034	(9.1)	887	<b>981</b>	968	1.3
Palladium price	US\$/oz	<b>1 227</b>	1 441	(14.9)	2 077	<b>1 594</b>	2 107	(24.3)
Rhodium price	US\$/oz	<b>3 841</b>	6 959	(44.8)	13 746	<b>8 992</b>	14 962	(39.9)

Average PGM contained metal basket price	ZAR/oz	<b>24 842</b>	31 544	(21.2)	40 850	<b>34 107</b>	40 437	(15.7)
Cr <sub>2</sub> O <sub>3</sub> ROM grade	%	<b>18.7</b>	17.8	5.1	17.3	<b>17.9</b>	17.4	2.9
Chrome recovery	%	<b>70.0</b>	67.9	3.1	69.6	<b>67.6</b>	68.3	(1.0)
Chrome yield	%	<b>31.6</b>	29.1	8.6	28.8	<b>29.2</b>	28.2	3.5
Chrome concentrates produced (excluding third party)	kt	<b>413.4</b>	378.8	9.1	416.2	<b>1 580.1</b>	1 582.7	(0.2)
Metallurgical grade	kt	<b>338.4</b>	306.0	10.6	325.9	<b>1 356.9</b>	1 233.2	10.0
Specialty grades	kt	<b>75.0</b>	72.8	3.0	90.3	<b>223.2</b>	349.5	(36.1)
Third party chrome production	kt	<b>58.9</b>	56.2	4.8	38.2	<b>201.9</b>	188.2	7.3
Average metallurgical grade chrome concentrate contract price – 42% basis	US\$/t	<b>291</b>	292	(0.3)	226	<b>263</b>	209	25.8
Metallurgical grade chrome concentrate contract price	ZAR/t CIF China	<b>5 273</b>	5 519	(4.5)	3 867	<b>4 840</b>	3 345	44.7
Average exchange rate	ZAR:US \$	<b>18.7</b>	18.7	-	17.0	<b>18.2</b>	15.8	15.2

Paphos, Cyprus  
17 October 2023

**JSE Sponsor**

Investec Bank Limited

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](mailto: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 Armit / 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 mechanised mine has an 18 year pit life and can extend operations underground by at least 40 years. Tharisa also owns Karo Platinum, a low-cost, open-pit PGM asset under construction and located on the Great Dyke in Zimbabwe. The Company is committed to reducing its carbon emissions by 30% by 2030 and the development of a roadmap is continuing to be net carbon neutral by 2050. Tharisa plc is listed on the Johannesburg Stock Exchange (JSE: THA) and the Main Board of the London Stock Exchange (LSE: THS).