tharisa

DISCOVER DEVELOP **DELIVER** DIVERSIFY

FY2020 INTERIM RESULTS PRESENTATION

21 May 2020

Enriching lives through engineering the mining company of the future

SUSTAINABLE POLYMETALLIC BUSINESS MODEL

- **Discover**
  - Large scale resources
  - Complimentary opportunities in the resource portfolio
- **Develop**
  - Innovative approach to mineral extraction
  - New processes and technologies to enhance value further
- **Deliver**
  - Safe production growth in both PGM and chrome concentrates
  - Shareholder value across the commodities chain
  - Impactful investment and social contribution
- **Diversify**
  - Into a multi asset, multi commodity, multi jurisdictional business
  - Using technology as our catalyst

THARISA IS THE SIXTH LARGEST SOUTH AFRICAN PGM PRODUCER AND FOURTH LARGEST SOUTH AFRICAN CHROME PRODUCER

SAFETY AND COVID-19

- Safety is a core value for Tharisa and the Company continues to strive for zero harm at its operations
- Tharisa fully supports the Cypriot, South African and Zimbabwean government's initiatives in dealing with the COVID-19 pandemic
- The Company has at all times ensured that production at the Tharisa mine complies, as a minimum, with applicable Regulations
- Tharisa has taken a number of proactive steps:
  - Screening of all employees prior to access to the mine using best in class thermo scanning equipment linked to the time and attendance system
  - Isolation facilities pending coronavirus test results outcomes with on-site testing capabilities
  - Quarantine facilities with the capacity to quarantine approximately 125 COVID-19 positive employees
  - Enforcing social distancing protocols via education and physical distancing barriers
  - Changing the shift basis and ensuring adequate time for shift rotation, reducing people movement and congestion
  - Supplying sanitising equipment and face masks to all employees
  - Increasing training and education across all disciplines on site
  - Throughout this period, Tharisa has continued to supply essential services to parts of the greater Marikana community

SAFETY AND COVID-19

Together with its affiliated foundation, Music for the Children, the Company, in conjunction with donations from various suppliers, directors and individuals, has delivered food and hygiene parcels for over 1 500 families, with a second consignment of 1 500 parcels in progress

H1 FY2020

- LTIFR of 0.08 per 200 000 man hours worked
- Tharisa has operated under an interim essential production plan, approved by the DMRE
- Planned capacity was initially at 46% and then following new legislation at 50% feeding the Voyager Plant only
- Since move from Level 5 to Level 4 on 1 May 2020, open cast mines may operate at 100% capacity
- Tharisa Mine has transitioned to full operations with the restart of the Genesis Plant since 1 May 2020
- The distribution logistics chain is continuing to open up slowly
- Deliveries of PGM concentrates resumed
- The K3 chrome operation remains on care and maintenance
- Tharisa's Vulcan Project remains suspended

BENEFITS OF OPEN CAST MECHANISED MINE WITH A HIGHLY SKILLED WORKFORCE

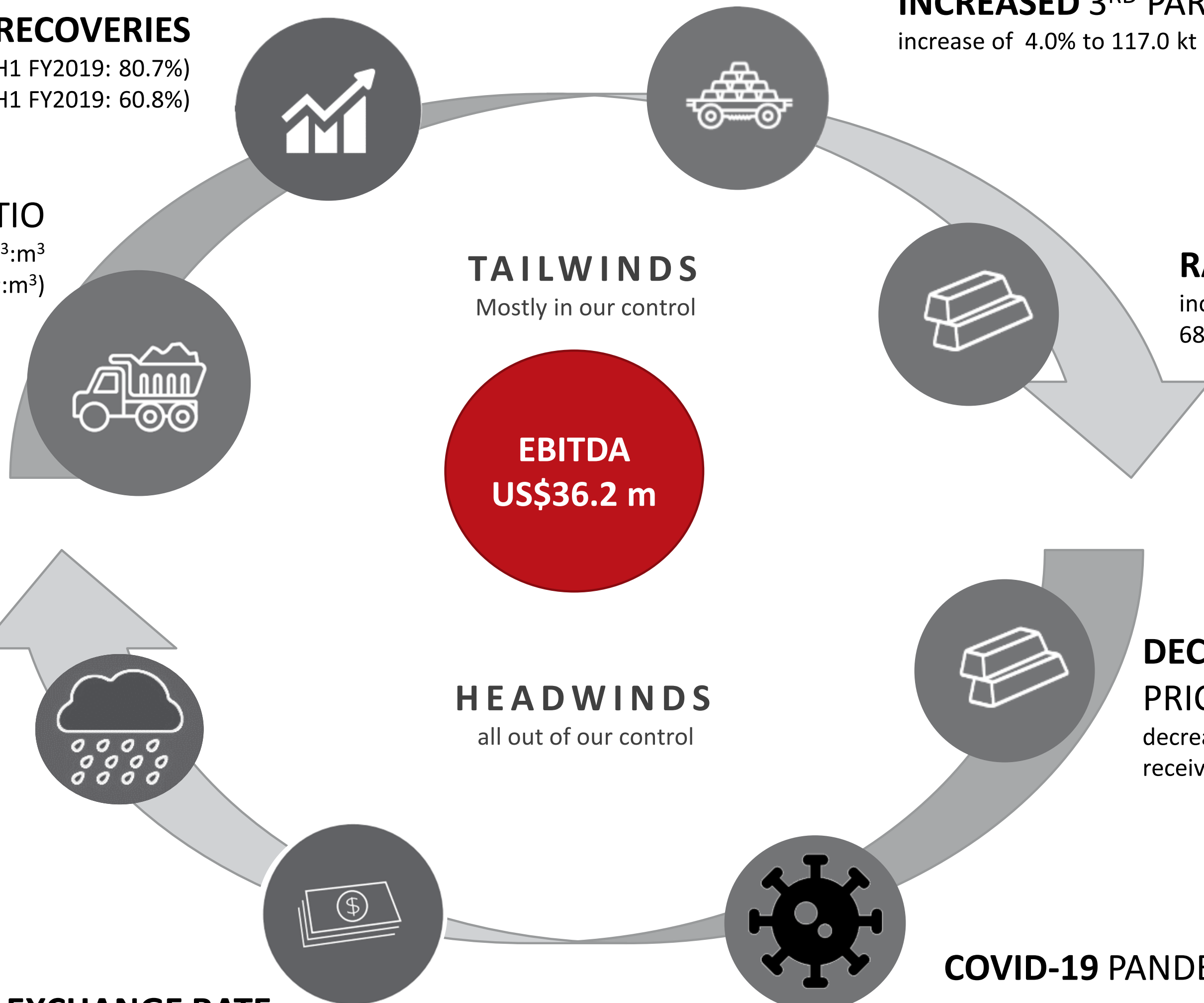
H1 FY2020 IN REVIEW

STABLE **RECOVERIES**
PGM recovery at 82.9% (H1 FY2019: 80.7%)
Chrome recovery at 62.5% (H1 FY2019: 60.8%)

INCREASED STRIPPING RATIO
increase of 63.4% of 11.6 m^3:m^3
(H1 FY2019: 7.1 m^3:m^3)

INCREASED 3RD PARTY PRODUCTION
increase of 4.0% to 117.0 kt

RALLY IN PGM PRICES
increases of 58.5% in US$ terms and 68.1% in ZAR terms



UNPRECEDENTED RAINFALL
rainfall during December was 137% higher than previous five years

DECREASED CHROME PRICES
decrease of 15.3% in chrome price received

COVID-19 PANDEMIC

VOLATILE **EXCHANGE RATE**
weakened by 5.6%

FY2020 INTERIM RESULTS SALIENT FEATURES

REEF MINED

2.27 Mt

up 2.3%
(2019: 2.22 Mt)

PGM PRODUCTION (5PGE+Au)

66.5 koz

down 1.6%
(2019: 67.6 koz)

CHROME CONCENTRATE PRODUCTION

652.6 kt

up 6.3%
(2019: 614.1 kt)

REVENUE

US$194.6 m

up 16.9%
(2019: US$166.5 m)

OPERATING PROFIT

US$22.3 m

up 55.9%
(2019: US$14.3 m)

EBITDA

US$36.2 m

up 20.3%
(2019: US$30.1 m)

PROFIT BEFORE TAX

US$17.5 m

up 71.6%
(2019: US$10.2 m)

EPS / HEPS

US 3.6c / US 3.7c

HEPS down 7.5%
(2019: US 3.6 cents and US 4.0 cents)

OPERATING CASH FLOW

US$39.7 m

down 4.1%
(2019: US$41.4 m)

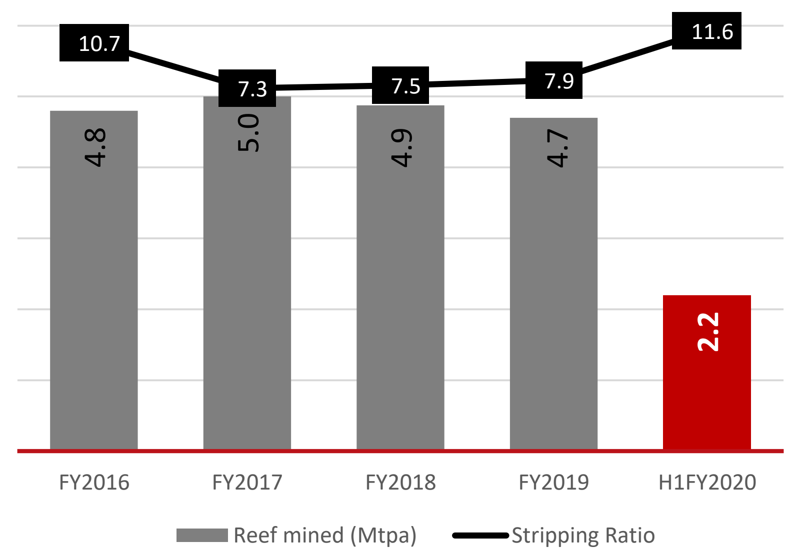
tharisa

PRODUCTION

PRODUCTION - MINING

- Reef tonnes mined 2 274.1 kt up 2.3%
- Reef tonnes milled 2 414.1 kt milled, up 3.3%
- Stripping ratio ahead of life of open pit requirements at 11.6 m^3:m^3
- Fleet recapitalisation program ahead of schedule
- Pit redesign delivering benefits with bench lengths delivering desired results in mining flexibility and reduced dilution
- ROM inventories increasing

MINING
(Mtpa)

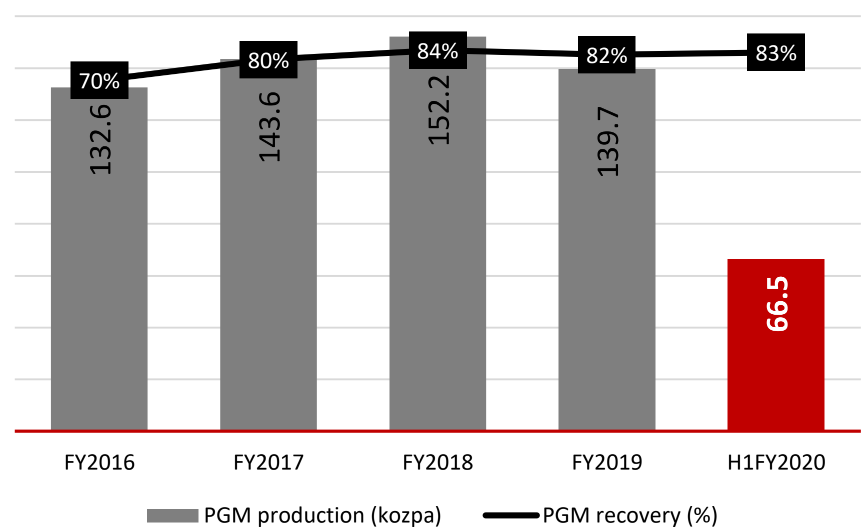


PRODUCTION - PGM

- PGM recoveries back to tracking best performance measures
- Recovery at 82.9% versus 80.7% in H1 FY2019
- PGM optimization projects completed
- PGM production flat as compared to previous interim six months
- Output affected by grade and not volume
- PGM feed grades expected to improve as reef layers are accessed more consistently
- Grade to trend back to life of mine average in the second half of FY2020

PGM PRODUCTION

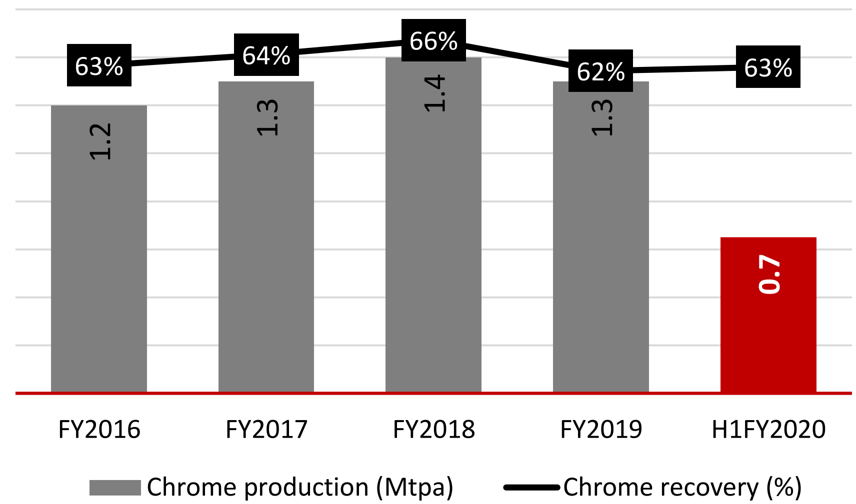
(kozpa)



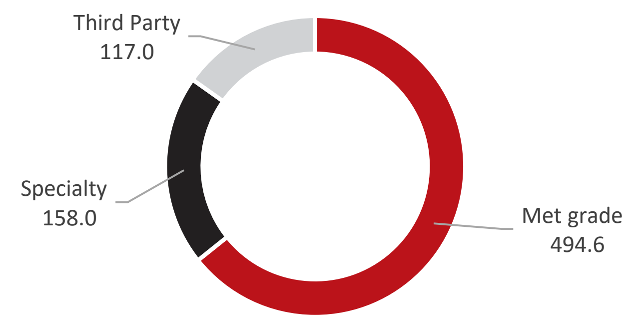
PRODUCTION - CHROME

- Chrome concentrate production up 6.3% as compared to previous interim period
- Mining and processing factors leading to the increased output are
  - Cr_2O_3 ROM grade: 18.2% vs 18.2%
  - Chrome recovery: 62.5% vs 60.8%
  - Chrome yield: 27.0% vs 26.3%
- Metallurgical grade contributing to increased output
- Specialty markets softened, leading to reduced output by Tharisa
- Third party production up 4% at K3 UG2 chrome plant

CHROME PRODUCTION
(Mtpa)



PRODUCTION MIX
(kt)



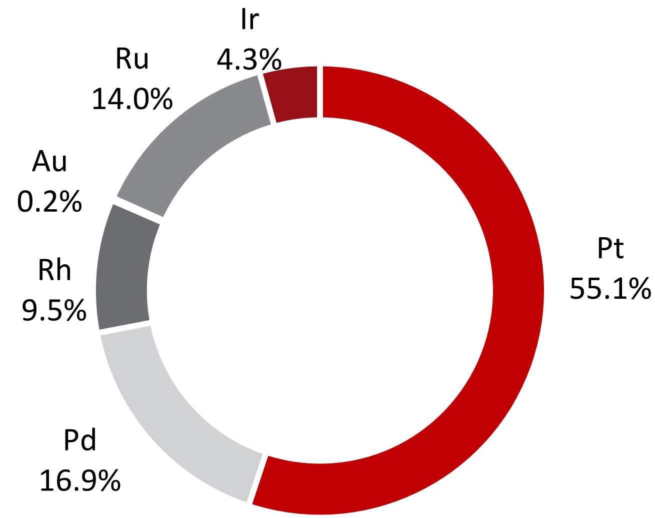
tharisa

MARKETS

PGM MARKET

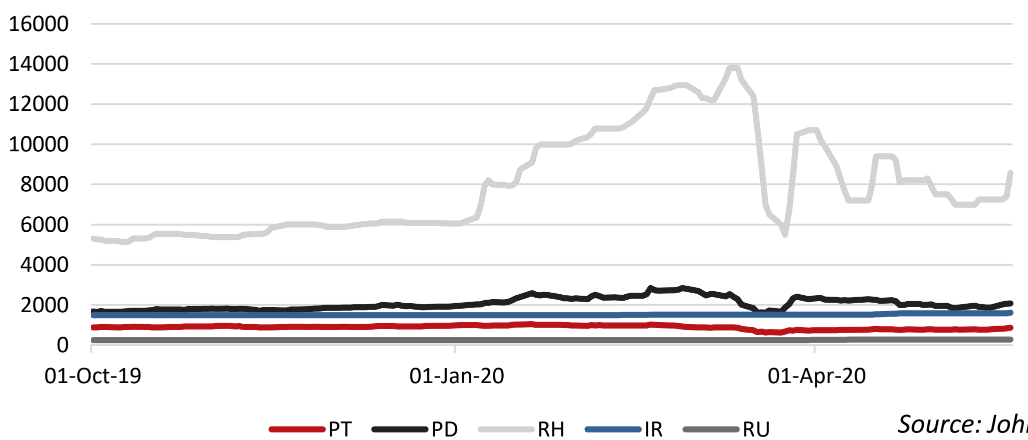
- Fundamentals for the platinum group metals remain robust
- Demand has slowed, but so has supply
  - Autocatalyst demand is expected to fall by at least 15% to 20%
  - Slowing in recycling
- Complex recommencement of operations and COVID-19 related disruptions
- PGMs continue to have unique properties
- Delays in projects with tighter capital markets for new developments will mean new supply will be delayed
- WPIC positive outlook for the remainder of the year

THARISA PRILL SPLIT



PGM PRICING

(US$/oz)

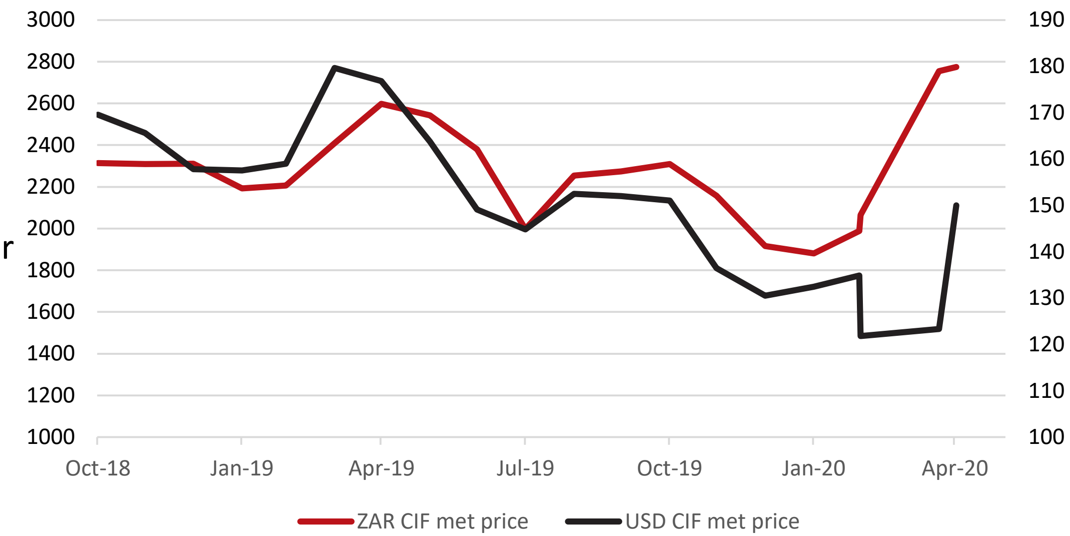


Source: Johnson Matthey

CHROME MARKET

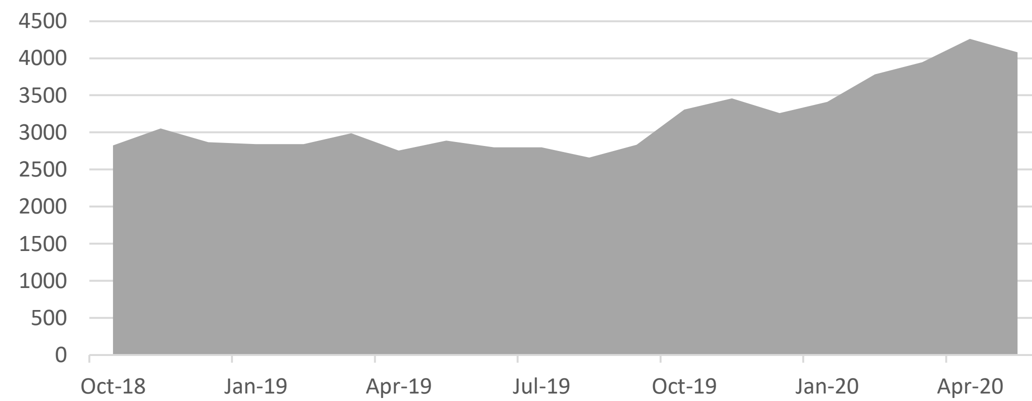
- Increase in chrome price post March 2020
- De-stocking at Chinese ports has commenced
- Coupled with increased levels of output in downstream facilities in China post COVID-19 restrictions, leading to more normalized output levels
- Supply chains from South Africa will remain interrupted for some time as the opening of the SA economy will take longer to return to normal levels
- Rebound of prices likely to continue
- Port stocks 4.3 Mt in April 2020, 4.08 Mt a week later
- Ferrochrome price in China increasing

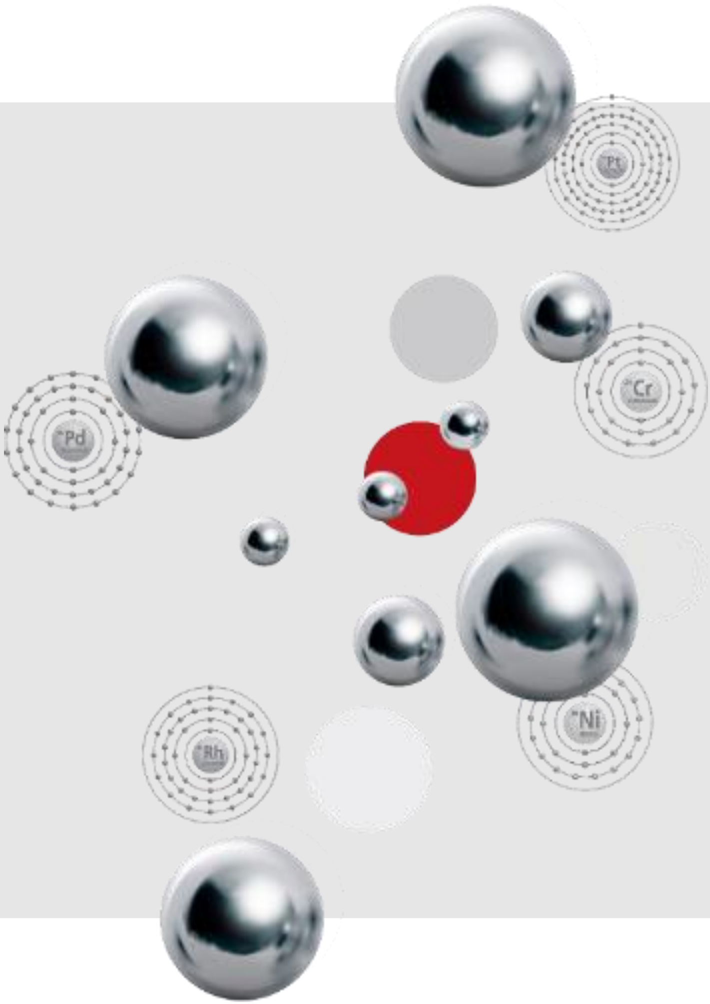
METALLURGICAL CHROME PRICE (42%)



PORT STOCKS

(t)





FINANCIAL REVIEW

FY2020 THEMES

CO-PRODUCT AND **EXCHANGE RATE** BENEFITS

HEALTHY CASH GENERATION

CONTINUED INVESTMENT

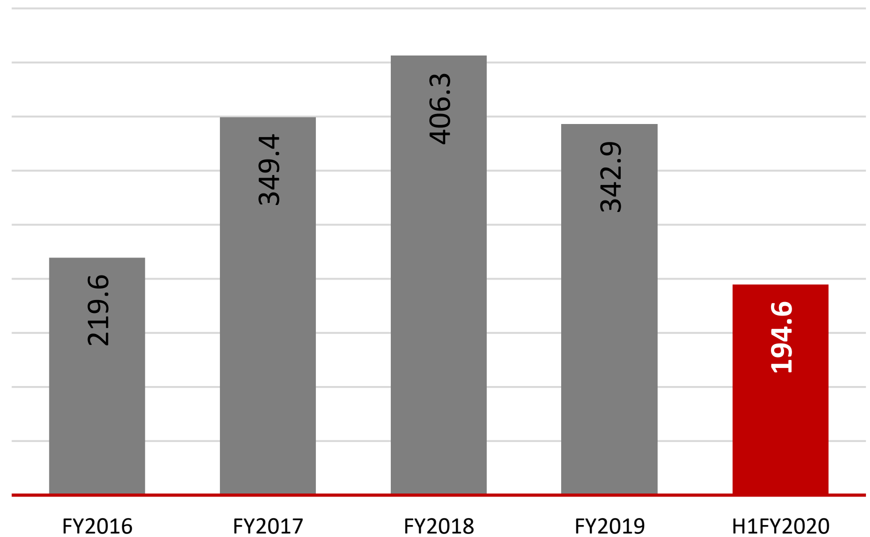
LIQUIDITY MANAGEMENT

ROBUST BALANCE SHEET

REVENUE

- Group revenue up 16.9% to US$194.6 million
- Co-product benefits:
  - US$99.4 million was derived from the sale of PGM concentrate
  - US$77.6 million was derived from the sale of chrome concentrates
- Revenue positively impacted by 58.5% increase in the PGM basket price to US$1 612/oz
  - Basket price benefiting from the prill split favouring palladium (at 17.4%) and rhodium (at 9.2%)
- Revenue negatively impacted by pressure on the metallurgical grade chrome concentrate price
- Average of US$138/t (on a CIF main ports China basis) down 15.3% compared to prior period average of US$163/t
- The agency and trading segment contributed US$16.0 million
- MetQ manufacturing contributed US$1.6 million

GROUP REVENUE
(US$ million)

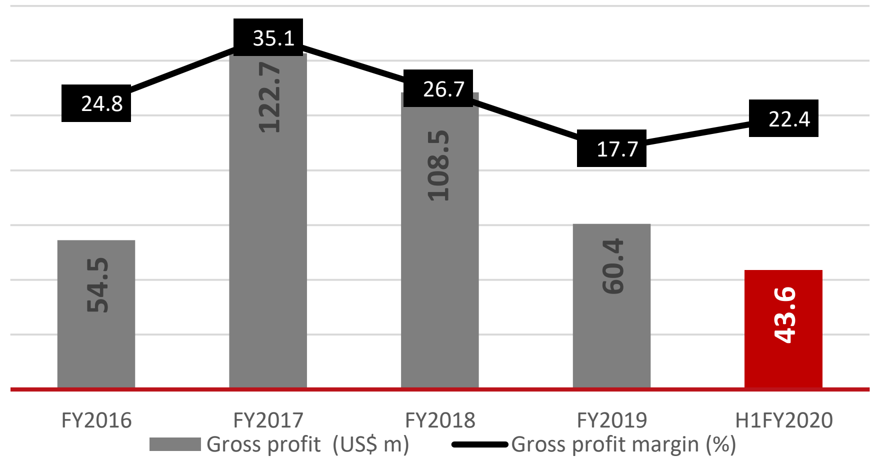


CO-PRODUCTION MODEL

PROFITABILITY

- Gross profit of US$43.6 million (2019: US$32.1 million)
- Margin increased to 22.4% (2019: 19.3%) despite the impact of a significant increase in the stripping ratio
- Benefits of weakening exchange rate by 6.8% on cost base
- EBITDA amounted to US$36.2 million (2019: US$30.1 million)

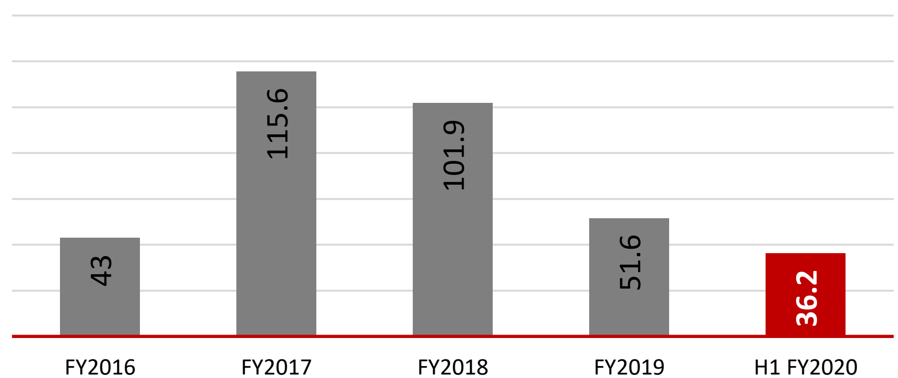
GROSS PROFIT AND MARGIN



	Unit	H1 FY2020	H1 FY2019	% Change
Cubes mined	Mm^3	8.2	5.2	57.3
Cost per cube mined	US$/$m^3$	8.6	9.6	(10.4)
Reef tonnes	kt	2 274.1	2 223.5	2.3
Cost per reef tonne mined	US$/t	31.0	22.5	37.8
Tonnes milled	kt	2 414.1	2 337.5	3.3
Cost per tonne milled	US$/t	47.3	39.1	21.0

EBITDA

(US$ million)



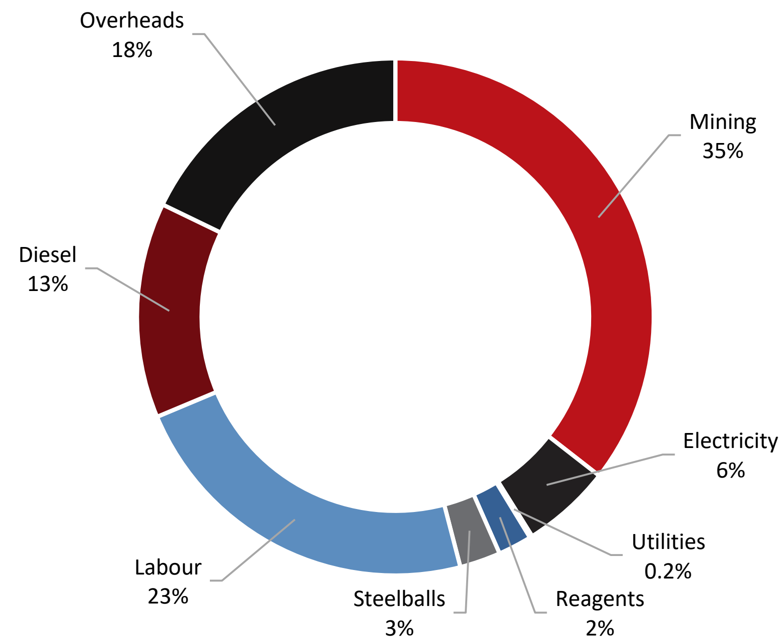
EXCHANGE RATE BENEFIT

COSTS

- Shared cost allocation for the period:
  - 75% PGM Segment
  - 25% Chrome Segment
- Weaker ZAR and lower oil prices will lower operating costs
- Tax
  - The tax charge amounted to US$5.6 million (2019: US$2.1 million)
  - Effective charge of 32.1% (2019: 20.2% charge) vs a normalised tax rate of ~25%
  - Certain expenditure incurred by the holding company is not tax deductible and distorted the effective tax charge

Mining cost	Unit	H1 FY2020	H1 FY2019	% Change
Labour	US$/m^3	1.9	2.8	(30.4)
Diesel	US$/m^3	1.5	2.0	(24.5)
Drilling and blasting	US$/m^3	1.3	1.3	(2.5)
Load and haul	US$/m^3	1.9	0.7	166.4
Maintenance	US$/m^3	2.0	2.8	(27.8)
Total	US$/m^3	8.6	9.6	(10.4)

ON MINE CASH COSTS OF SALES

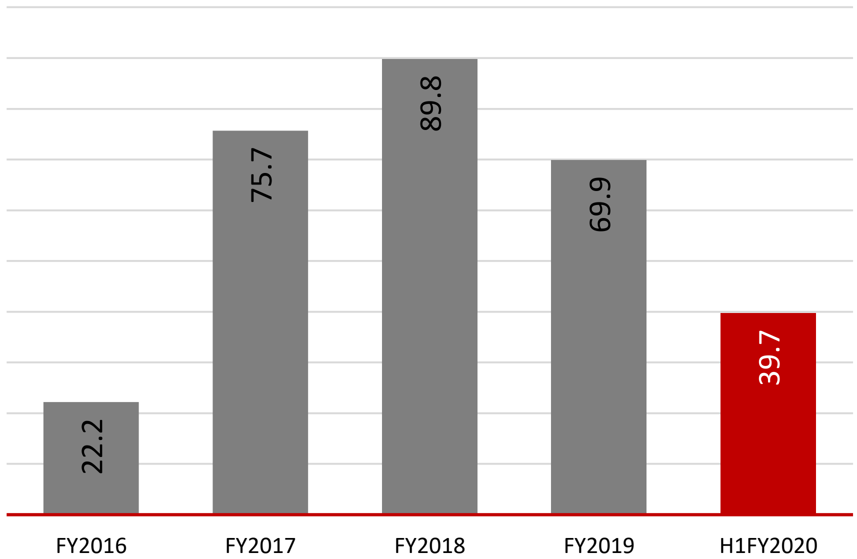


- Mining contractor moved ~ 21% of cubes included in load & haul
- ZAR weakening to ZAR17:US$1 reduces cost per cube mined by ~12%
- Reduction in diesel price by 10% reduces cost per cube mined by ~2%

CASH FLOW

- The Group generated net cash from operations of US$39.7 million (2019: US$41.4 million)
- Investment in capex of US$47.7 million
- Cash on hand US$40.3 million
- The net debt to total equity ratio is 9.9% (2019: 2.6%)

NET CASH FLOWS FROM OPERATING ACTIVITIES
(US$ million)



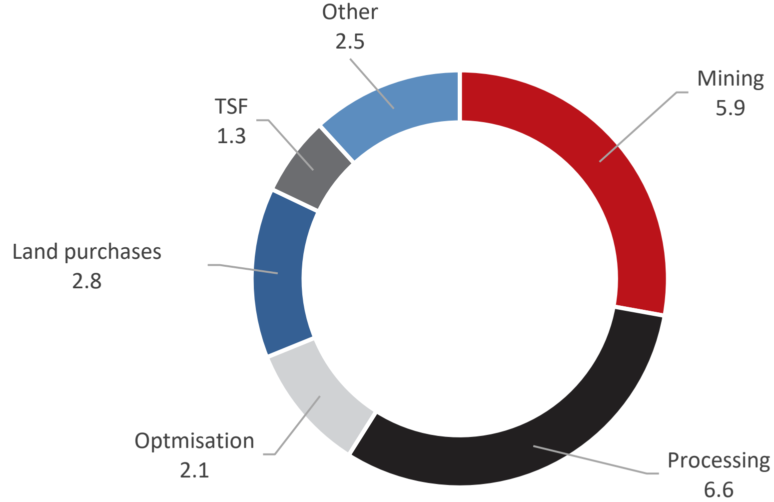
HEALTHY CASH GENERATION

CAPEX

- Total capex spend for the period of US$47.7 million
- US$20.3 million related to additions to the mining fleet
- Includes second CAT 6050 face shovel and supporting haul vehicles
- Depreciation charge amounted to US$14.2 million
- FY2020 SIB capex is planned at US$64.4 million
  - H2 FY2020 forecast capex is US$21.9 million
  - Looking at reducing the spend
  - Deferral of certain land purchases and fleet replacement
- US$52.8 million for Vulcan fine chrome recovery plant (project currently suspended)

H2 FY2020 PLANNED CAPITAL EXPENDITURE

(US$m)



*Excludes Vulcan at US$52.8 million

Once off COVID-19 capex

- US$1.2 million for capex for infrastructure upgrades to the isolation & quarantine facilities

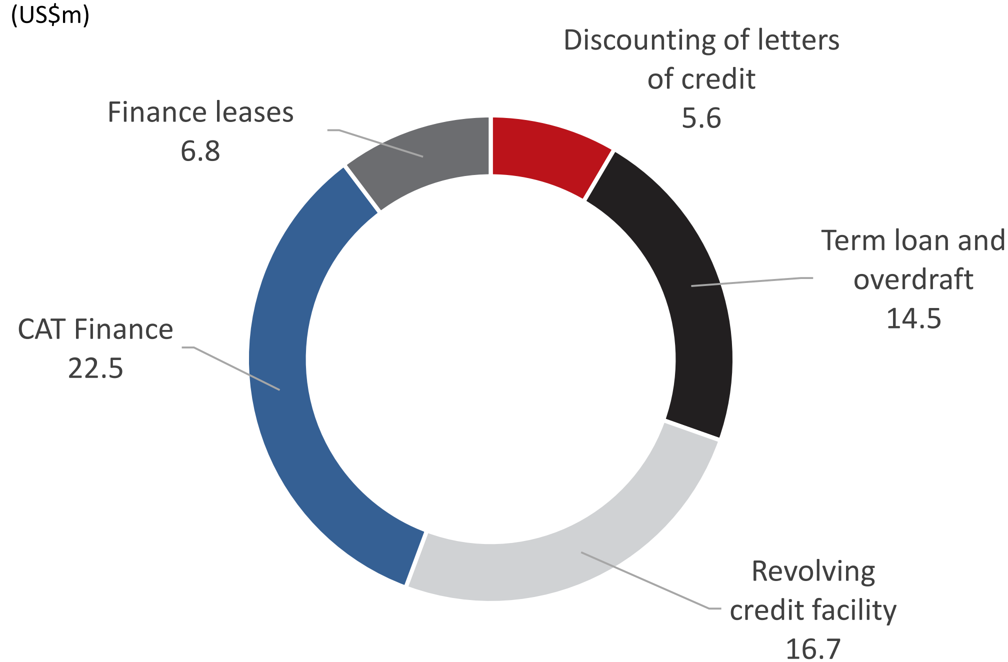
- Unredeemed capex available within the Group for set-off against future profits amounts to US$98.9 million

CONTINUED INVESTMENT

BALANCE SHEET

- Proactive response to COVID-19 with a focus on liquidity management
- Compliance with financial covenants
- Three month debt repayment "holiday" agreed with key financiers
- Major creditors agreed to extension of credit terms to between 60 and 90 days
- Current ratio of 1.6 times
- ZAR300 million RCF fully drawn
- No interim dividend has been proposed
- Chrome stock pile financing facility of US$10 million agreed
- Overdraft facility of ZAR100 million available
- Headroom on OEM financing facilities plus trade facilities

DEBT POSITION
(US$m)



- Total debt amounted to US$66.1 million
  - 57.6% ZAR denominated
  - 42.4% US$ denominated
  - Of this trade finance amounted to US$5.5 million

LIQUIDITY MANGEMENT AND ROBUST BALANCE SHEET

tharisa

STRATEGY IMPLEMENTATION

DELIVERING ON OUR GROWTH STRATEGY

DISCOVER

- Globally significant, diversified low cost operations
- Exploration pipeline

DEVELOP

- Innovative approach to viable mineral extraction
- Sustainable polymetallic business model

DELIVER

- FY2020 production targets
- Vulcan Plant
- Vision 2020
- Expansion growth

DIVERSIFY

- Multi asset, multi commodity, multi jurisdictional business
- Using technology as our catalyst

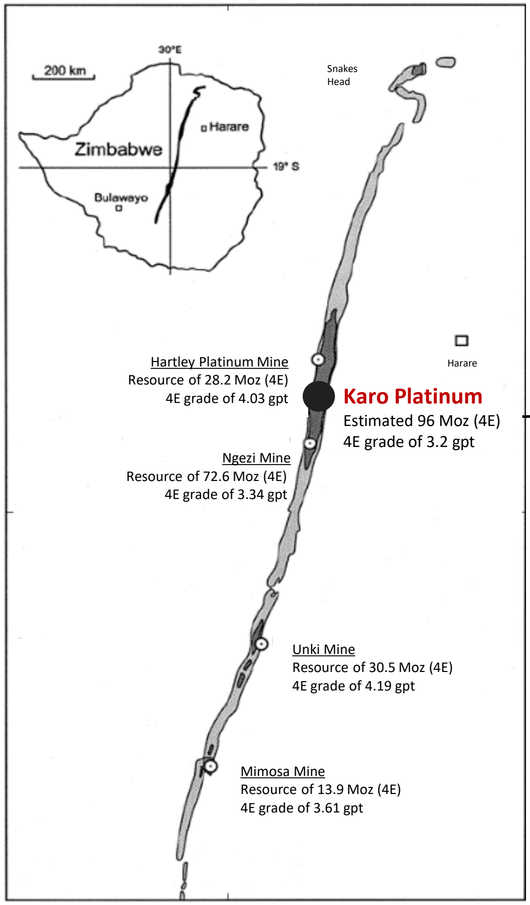
EXPLORATION PROJECTS

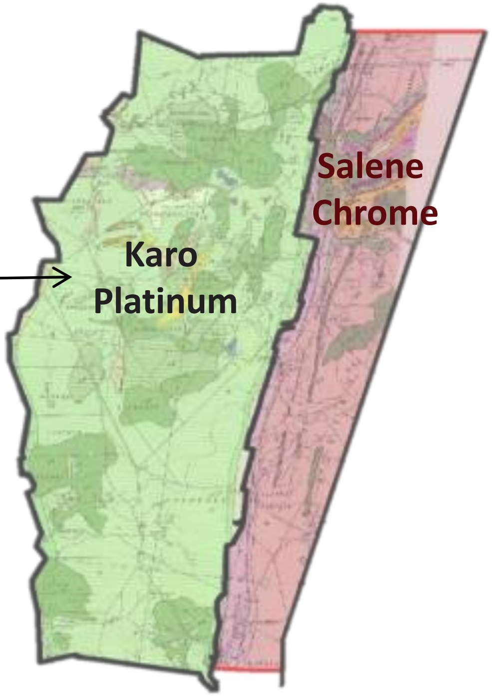
DIVERSIFICATION
FROM SINGLE ASSET

HIGHLY
PROSPECTIVE
AREA

MINERAL RICH
GEOGRAPHY

LARGE SCALE





PRODUCT
EXPANSION

FURTHER
GROWTH
OPPORTUNITIES

STRONG
CASH GENERATION
POTENTIAL

LOW COST
PRODUCTION

Source: https://www.researchgate.net/figure/Generalized-geology-of-the-Great-Dyke-and-locations-of-platinum-mines-and-prospects_fig1_235917128 and Company Data

ZIMBABWE DEVELOPMENTS

- Tharisa owns 26.8% of **Karo Mining Holdings**
- On 18 October 2019 project area was declared a special economic zone ('SEZ')
- Enable the projects to benefit from fiscal and non-fiscal incentives available to SEZs
- The initial phase of the exploration programme has been completed
- Reported grades are in line with current PGM operations on the Great Dyke
- Scoping study progressing well and is anticipated to be completed in the second half of this calendar year 2020.

- **Salene Chrome** has received an exemption from the Ministry of Mines to operate during the Zimbabwe lockdown period
- Contractor mobilisation and site establishment completed
- Production has commenced
- First chrome production from site started on 20 April 2020
- Operations are ramping up to achieve commercial production of lumpy chrome material

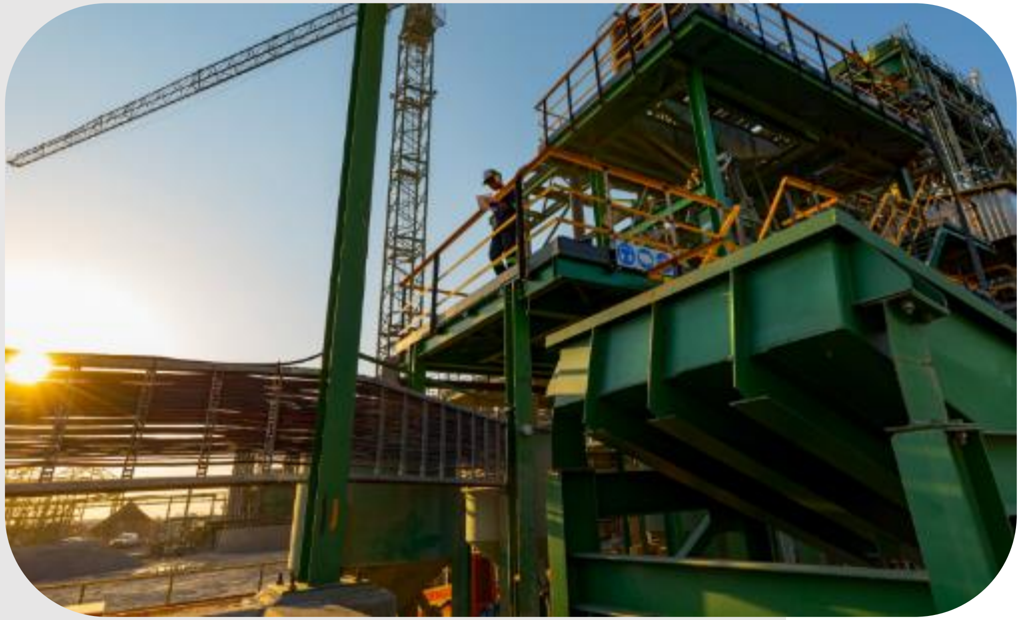
DEALING WITH COVID-19

- Thank you to all stakeholders for your support during these unprecedented times
- Condolences to the families that have been affected
- Tharisa will continue to be proactive in dealing with the pandemic and will never put the lives of its employees at risk
- We are grateful to operate in this complex environment and ensure the continued livelihood of those people we touch directly and indirectly
- BE SAFE

@tharisa_sa

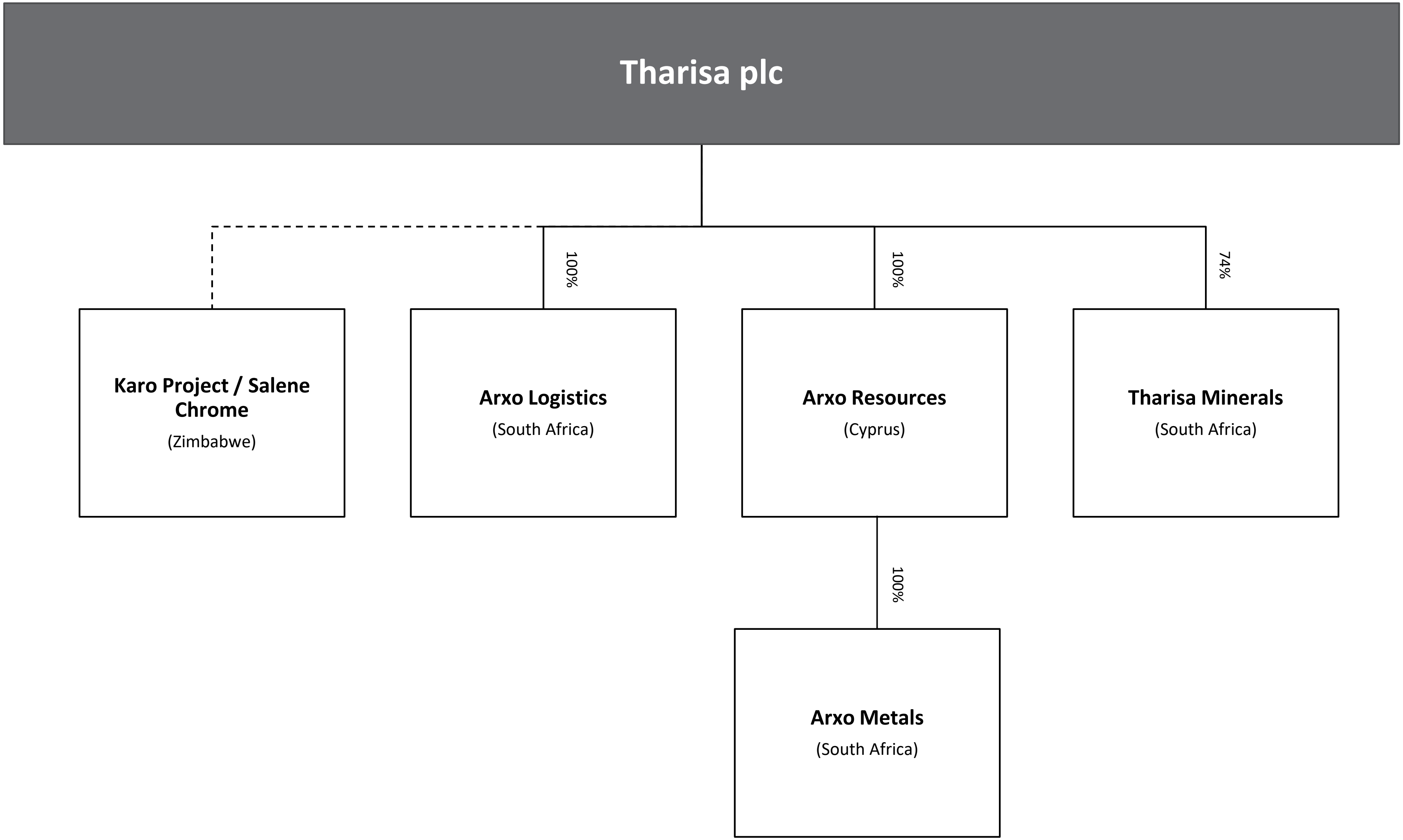
#proudlytharisa

tharisa



QUESTIONS?

CORPORATE STRUCTURE



DISCLAIMER

These Presentation Materials are for information purposes only and must not be used or relied upon for the purpose of making any investment decision or engaging in any investment activity. Whilst the information contained herein has been prepared in good faith, neither Tharisa plc (the 'Company') and its subsidiaries (together, the 'Group') nor any of the Group's directors, officers, employees, agents or advisers make any representation or warranty in respect of the fairness, accuracy or completeness of the information or opinions contained in this presentation and no responsibility or liability will be accepted in connection with the same. The information contained herein is provided as at the date of this presentation and is subject to updating, completion, revision, verification and further amendment without notice.

These Presentation Materials contain forward-looking statements and information in relation to the Group. By its very nature, such forward- looking statements and information require the Company to make assumptions that may not materialise or that may not be accurate. Such forward-looking information and statements involve known and unknown risks, uncertainties and other important factors beyond the control of the Company that could cause the actual performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information and statements. Nothing in this presentation should be construed as a profit forecast. Past share performance cannot be relied on as a guide to future performance.