

19 May 2023

tharisa

INTERIM RESULTS PRESENTATION

6 months ended 31 March 2023



enriching lives through innovating the resources company of the future

PROFITABLE • INVESTING • PAYING DIVIDENDS • DELIVERING VISION 2025

PROFITABLE

- Co-product commodities delivering into demand
- Profitable since 2015

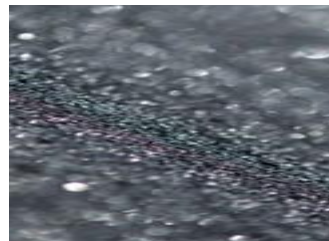
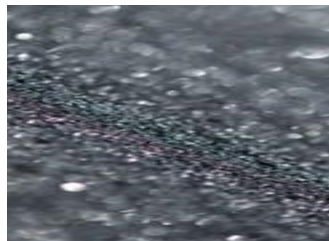
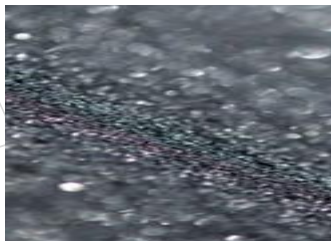


INVESTING

- Invested US\$530 m in our operations in the last decade
- Ensuring optimum resource extraction through innovative processes

PAYING DIVIDENDS

- Returned over US\$90 m in cash to shareholders
- While repaying over US\$202 m in corporate debt



DELIVERING VISION 2025

- Multi-generational mineral endowment
- Multi-mine, multi-commodity
- Unlocking value through innovation

SUCCESSFULLY NAVIGATING UNCERTAINTY

TAILWINDS

COMMODITIES

- Co-product business model
- Buoyant chrome commodity market
- Counter cyclical commodities in basket
- Fundamentals for both commodities are extremely robust

MACRO

- Weakening of ZAR to US\$ - partially offsetting inflationary pressure
- Bulk freight rates have normalised
- Strong momentum behind the hydrogen economy (benefits PGMs)
- Chinese stainless steel outlook is positive
- Primary supply constraints entrench growing deficits

HEADWINDS

ELECTRICITY

- Maximum requirement of 27 MW of electricity at Tharisa Mine
- Stand by diesel generators capacity to withstand load curtailment
- Plant configuration allows flexibility to manage electricity shocks
- 40 MW solar plant project underway – EA approved

TRANSPORT

- Transnet rail parastatal infrastructure challenges have necessitated shift from rail to road
- 85% road allocation from 80% rail previously
- Reallocation of bulk via Richards Bay to Maputo

MACRO

- Geopolitical
- Inflation / interest rate environment
- Crime and corruption
- Unprecedented localised weather events

resilient business model

H1 FY2023 HIGHLIGHTS

SAFETY IS A CORE VALUE

- Tharisa Mine – LTIFR of 0.27 per 200 000 man hours worked
- Overall improved safety performance, post fatality at Tharisa Mine in October 2022
- Karo Platinum – project remains LTI free



FAITH MEMORIAL GARDEN

“Faith is the strength by which
a shattered world shall
emerge into the light.”

HELEN KELLER



SUSTAINABLE MINING OF OUR LONG LIFE TIER ONE ASSETS

- Tharisa Minerals owns and controls a resource of 849.6 Mt
 - Reef tonnes mined of 2.1 Mt
 - PGM production of 77.0 koz – PGM basket price of US\$2 216/oz
 - Chrome production of 787.9 kt – metallurgical grade chrome price of US\$247/t
- Karo Platinum controls a resource of 152.1 Mt
 - Phase 1 steady state operations to produce ~190 kozpa

H1 FY2023 HIGHLIGHTS

DISCOVER • DEVELOP • DELIVER • DIVERSIFY

- Delivering healthy margins and cash flow despite operational headwinds
- Karo Platinum construction and funding advancing
- Commercialisation of R+D projects underway

H1 FY2023 HIGHLIGHTS

CAPITAL DISCIPLINE

- US\$49.3 m spent on capex
- US\$112.7 m of net cash
- Dividend policy of 15% annual NPAT
 - Interim dividend of US 3 cents per share

HIGHLIGHTS

FY2023 PRODUCTION GUIDANCE

- 158 koz to 167 koz PGMs (6E basis)
- 1.58 Mt to 1.67 Mt of chrome concentrates
- Karo Platinum construction milestones:
 - First concrete to be poured in June 2023
 - Trial open pit mining nearing completion in September 2023
 - Mechanical construction to commence in September 2023

DELIVERING VALUE IN CHALLENGING ENVIRONMENT

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- Karo Platinum construction milestones

OUR POSITIVE IMPACT

JOB CREATION

- 4 594 employees at end March 2023 (Group employees and contractors)
- 440 employees and contractors on site in Zimbabwe
- +25% female employees
- No days lost to industrial action
- Four year wage agreement ends in June 2024
- Employee engagement through various HR roadshows

EDUCATION AND WELLNESS

- AET programmes on site for employees and communities
- Annual school stationery drive and IT centre donation and maintenance
- Enterprise and development initiatives, skills development
- Thusanang (“helping each other”) wellness programme

ENVIRONMENT

- Planned 30% reduction in carbon footprint by 2030
- Carbon net neutral by 2050
- 40 MW solar plant environmental authorisation awarded
- First phase of 30 MW solar plant in Zimbabwe initiated



THE VITAL NUMBERS

US\$2 216/oz
down 14.5%
PGM BASKET PRICE

US\$247/t
up 41.1%
MET GRADE PRICE

REEF MINED

2.1 Mt

down 25.6%

stripping ratio of 11.5 m³:m³
(HY2022: 2.8 Mt)

PGM PRODUCTION (6E)

77.0 koz

down 16.1%

recovery of 67.0%
(HY2022: 91.8 koz)

CHROME CONCENTRATE PRODUCTION

787.9 kt

up 1.4%

recovery of 66.2%
(HY2022: 776.7 kt)

REVENUE

US\$335.3 m

up 0.4%

ZAR5.9 bn
(HY2022: US\$334.0 m)

OPERATING PROFIT

US\$63.5 m

down 29.0%

ZAR1.1 bn
(HY2022: US\$89.4 m)

EBITDA

US\$81.2 m

down 27.0%

ZAR1.4 bn
(HY2022: US\$111.3 m)

PROFIT BEFORE TAX

US\$72.4 m

down 41.8%

ZAR1.3 bn
(HY2022: US\$124.3 m)

NET CASH FROM OPERATING ACTIVITIES

US\$97.1 m

up 97.8%

ZAR1.7 bn
(HY2022: US\$49.1 m)

CASH AND CASH EQUIVALENTS

US\$205.7 m

up 102.7%

ZAR3.6 bn
(HY2022: US\$101.5 m)

EPS

US 17.4 cents

down 46.8%

(HY2022: US 32.7 cents)

HEPS

US 17.6 cents

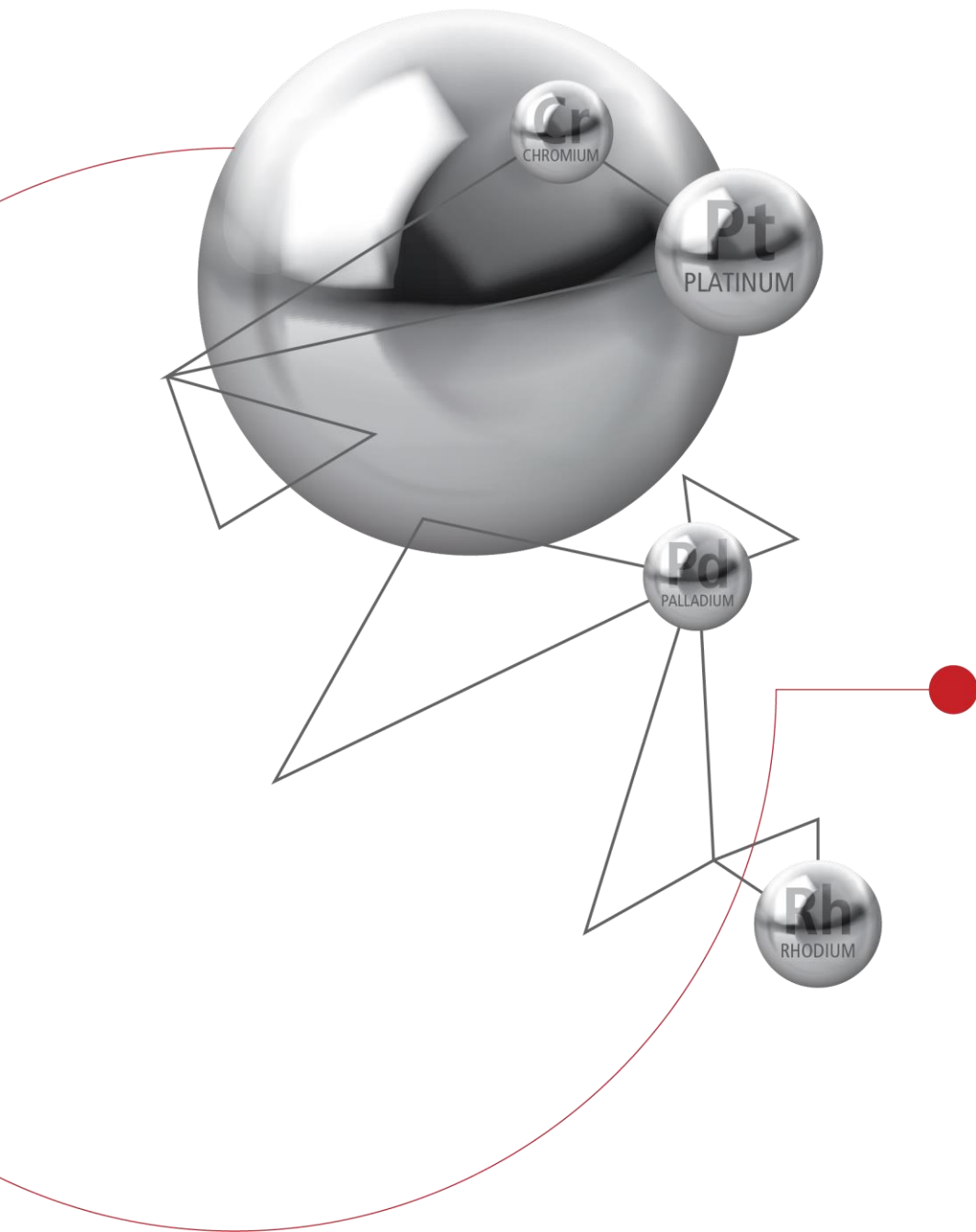
up 13.5%

(HY2022: US 15.5 cents)

INTERIM DIVIDEND

US 3 cents

(HY2022: US 3 cents)
16.4% of NPAT



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STRATEGY

enriching lives through
innovating the
resources company of
the future



EXPANSION

Expand and roll out the business sustainably



OPTIMISATION

Optimise existing operations



INNOVATION

Continue to invest in innovative thinking



DIVERSIFICATION

Become a globally diversified business



INVESTMENT

Be the investment of choice in our chosen sector



ENRICHMENT

Responsibly enrich the lives of all our stakeholders

LONG LIFE PORTFOLIO

40.3 Moz & 10.0 Moz
IN CONTAINED PGMS (6E)

171.1 Mt
IN CONTAINED CHROME

SIGNIFICANT SHALLOW RESOURCES

- 849.6 Mt at Tharisa Mine
 - 18 year open pit life at Tharisa Minerals
 - +40 years underground LOM potential
- 152.1 Mt at Karo Platinum
 - 17 year open pit life at Karo Platinum Phase 1
 - Explored less than 10% of the 23 903 ha at Karo
 - Historical resource of 96.4 Moz (4E) in indicated & inferred 868 Mt

PIT TO PORT STRATEGY

- Control over our own resources with a pit to port strategy
- Capturing value across the entire chain
- Mining, processing, trading, logistics to end customer

PRODUCT DIVERSITY

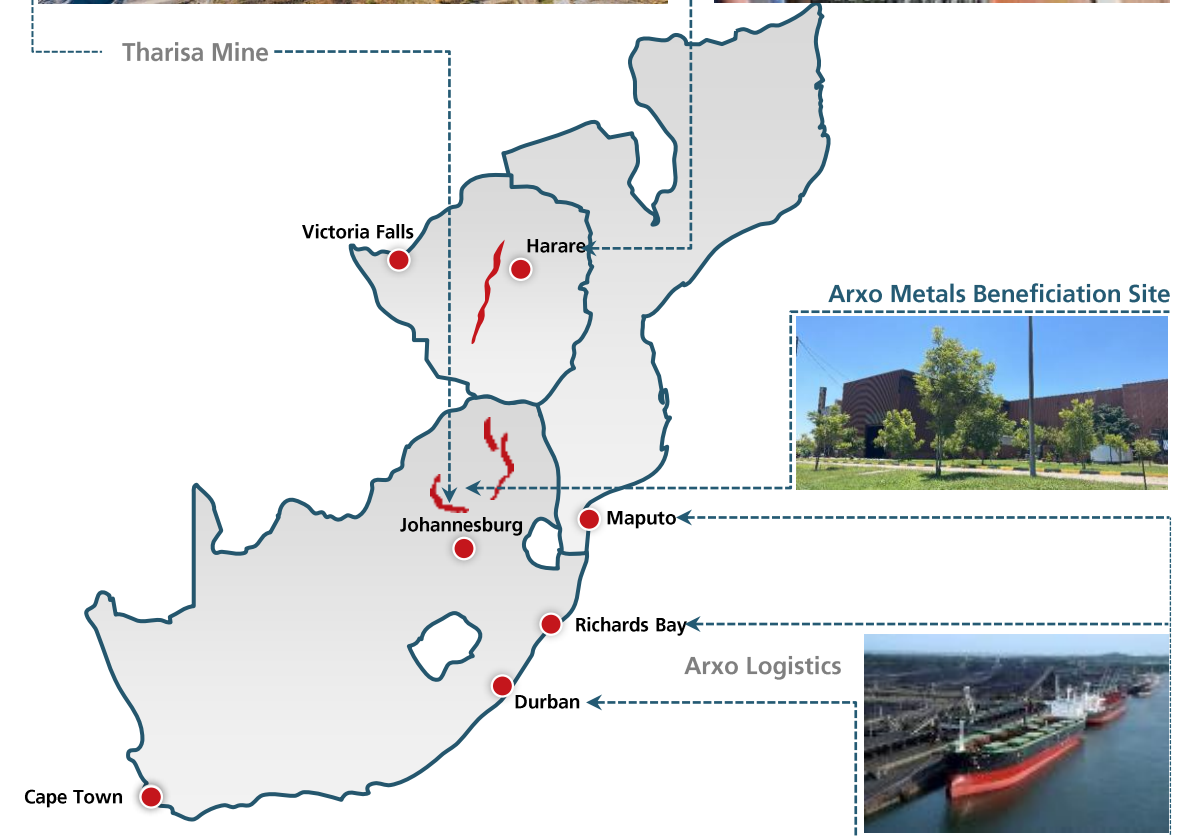
- Multiple PGM, base metals and chrome products from our ore bodies ensuring revenue diversification and protection against commodity fluctuations
- Value addition – various R+D and piloting projects



Tharisa Mine



Karo
Platinum



Arxo Metals Beneficiation Site

Arxo Logistics

AN ETHOS OF INNOVATION



technology is the key enabler for differentiation



ARXO METALS BENEFICIATION SITE

- Commercial operations for PGM smelting
- Demonstration scale testing of other initiatives

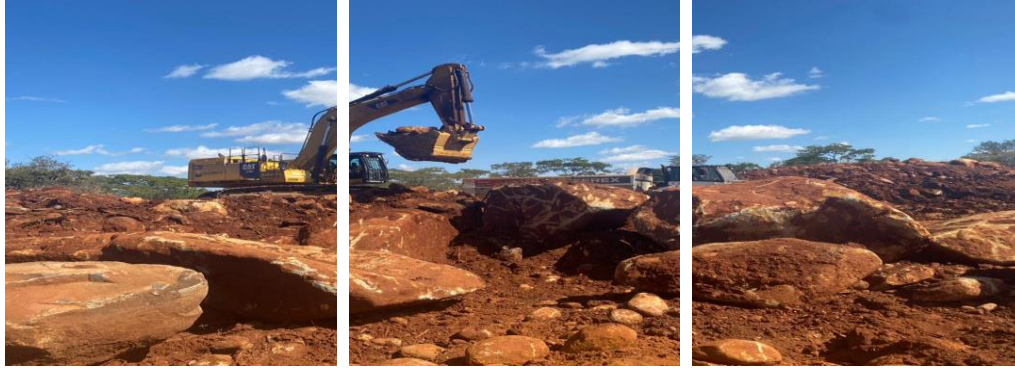
ARXO METALS TECHNOLOGY DEVELOPMENT CENTRE

- Facility to run laboratory and pilot scale test work
- Focus on downstream beneficiation of PGMs and chrome
- Testing alternative processes on pilot scale

ARXO METALS RENEWABLE ENERGY CENTRE

- Facility focusing energy storage solutions using our commodities including long duration scalable storage solution
- Different renewable technologies will be demonstrated
- AMREC launch in June 2023

KARO PROJECT



PROJECT METRICS

- Tier 1 asset
- First phase open pit of 17 years
- Producing ~190 kozpa with significant base metal credits
- First ore in mill July 2024
- Commencement of construction ceremony – 7 December 2022
- Earthworks completion, trial open pit mining and first concrete June 2023

IMPACT

- Four years LTI free
- IFC compliant ESIA approved – mining, processing & power line
- Prioritising local recruitment and skills development
- Total Eren developing 30 MW solar project for phase 1

CAPITAL COST

- Total cost to first ore in mill budget of US\$391 m

FUNDING

- Multiple funding streams with different timing requirements
- VFEX bond listing – raised US\$36.8 m
- Partial leverage of existing assets – ~US\$130 m
- Syndicated senior project finance facility – ~US\$260 m

COMMODITIES

US\$/ZAR 19.30
SPOT EXCHANGE RATE

US\$1 818/oz
SPOT PGM BASKET PRICE

US\$300/t
SPOT MET GRADE PRICE

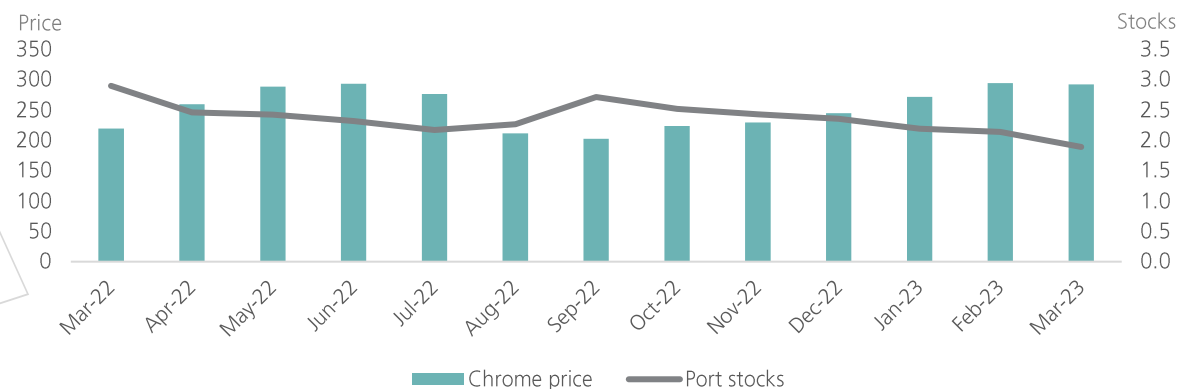
PGMS

- Primary supply growth constraints
- Deficits in Rh, Pd to remain, Pt heading towards a record deficit
- ICE remains a major demand driver with Tier 4 and Euro 7 emissions standards still to come
- Hydrogen economy to provide multi decade PGM demand
- Zimbabwe supply to substitute South African short fall

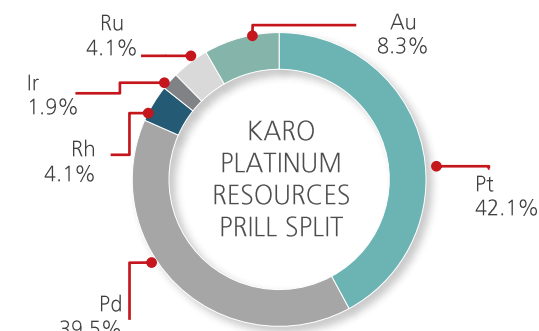
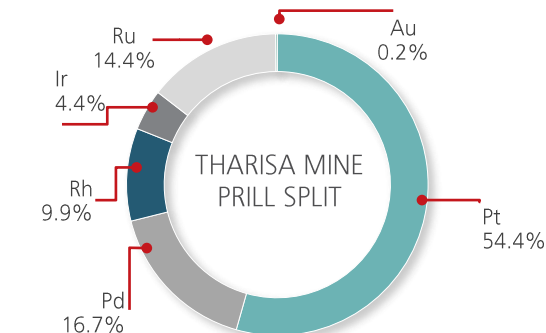
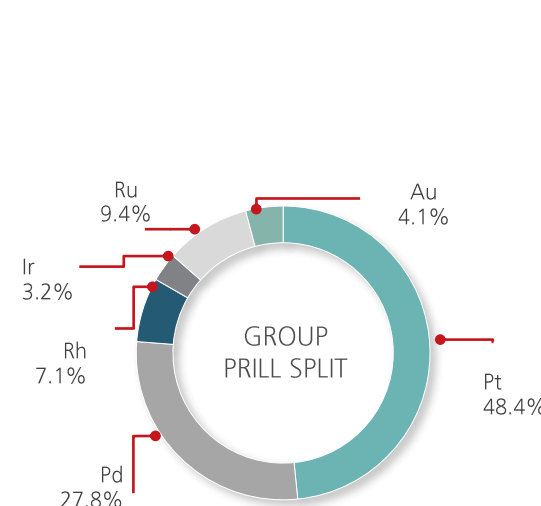
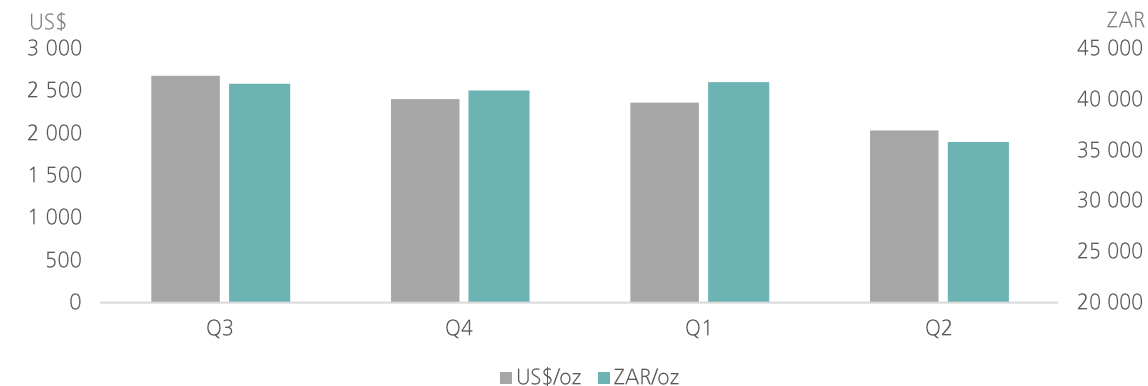
CHROME

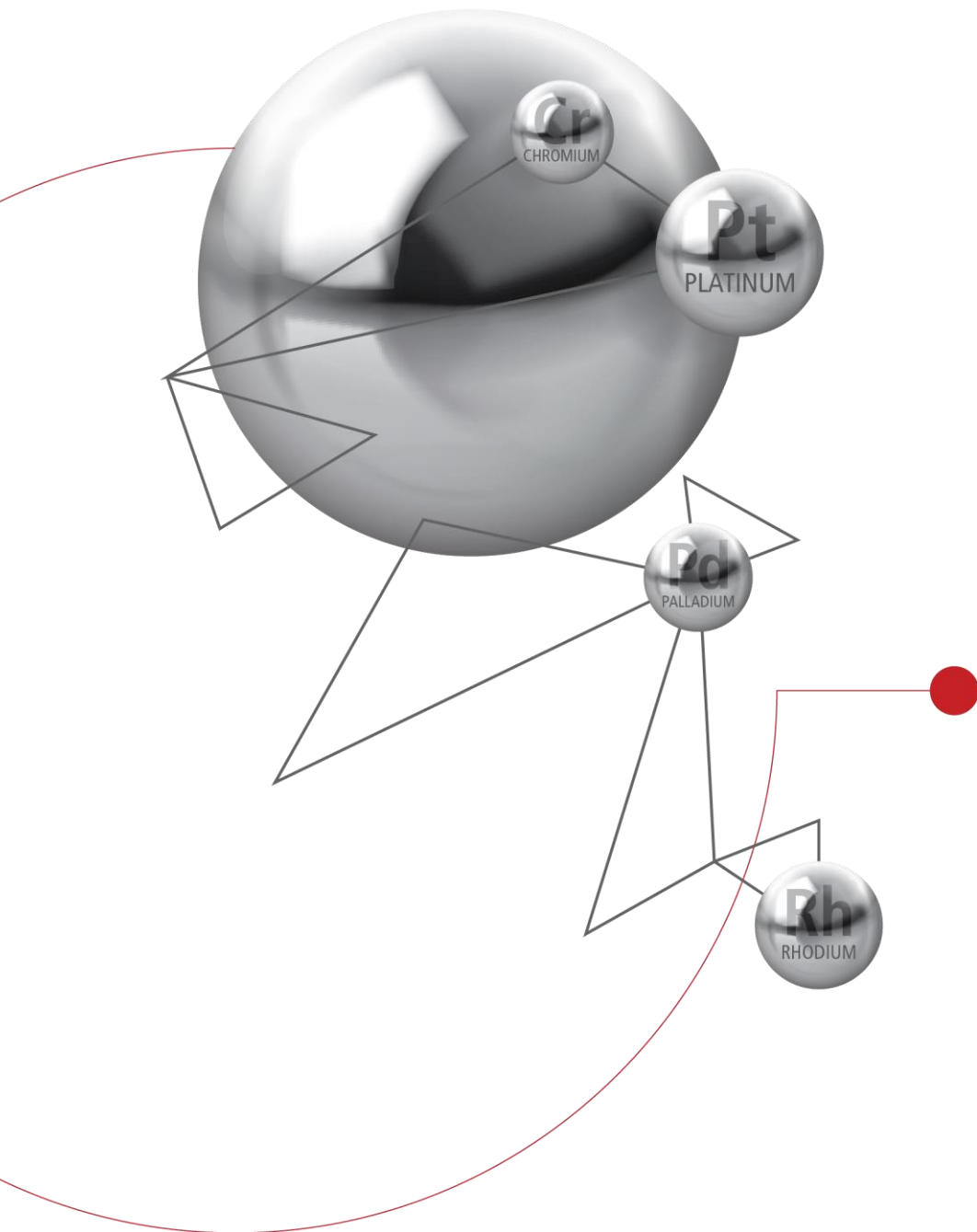
- Chrome prices rallying on back of low port stocks and growing stainless steel demand
- Record Rand spot pricing nearing ZAR6 000/t
- South Africa supplies 80% of China's chrome needs
- Tharisa supplies ~10% of China's chrome demand
- Specialty chrome ramping up H2 – premium pricing

METALLURGICAL GRADE PRICE AND PORT STOCKS (US\$/t) and (Mt)



PGM PRICING - THARISA MINE (US\$/oz) and (ZAR/oz)





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FINANCIAL HIGHLIGHTS

DELIVERING ON GROWTH STRATEGY

MULTI COMMODITIES

- Robust co-production model
- Polymetallic basket of strategic minerals
- Low cost producer

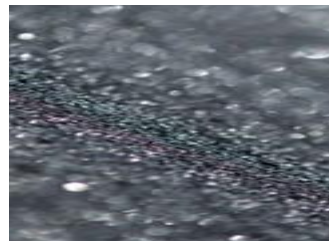
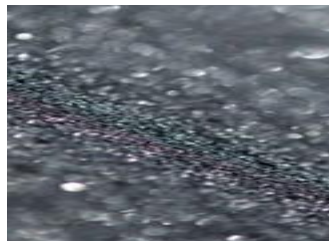
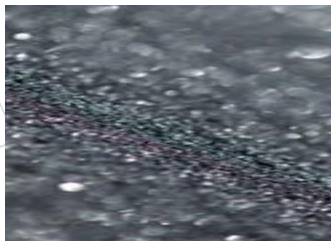


STRONG CASH FLOW GENERATION

- Net cash flows from operations – US\$97.1 m
- Enabling continuous investment through the cycle
- Consistent dividend policy

NEW DEBT FACILITIES

- First of its kind VFEX bond – total subscription of US\$36.8 m
- Successfully concluded US\$130 m debt facility with Société Générale and Absa Bank – undrawn at 31 March 2023
- Agreed term sheet – US\$260 m syndicated senior project finance facilities



POSITIONED FOR SUSTAINABLE GROWTH

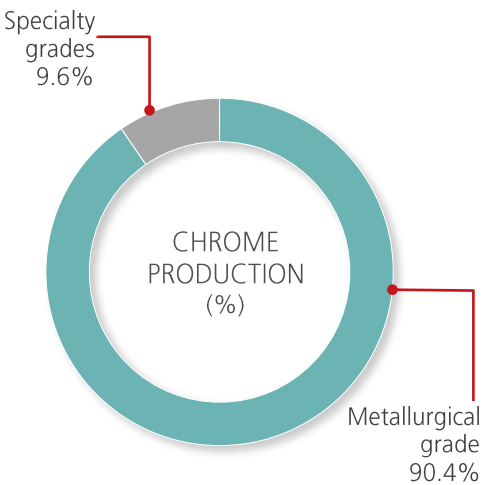
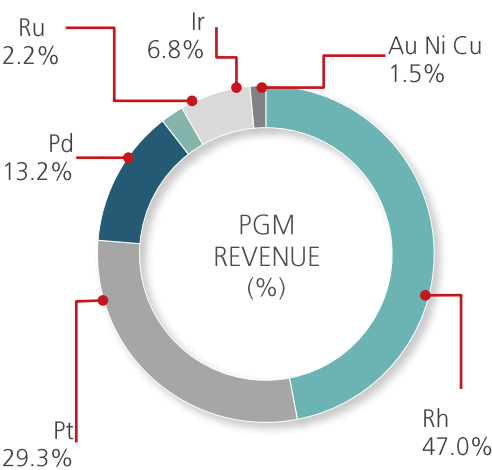
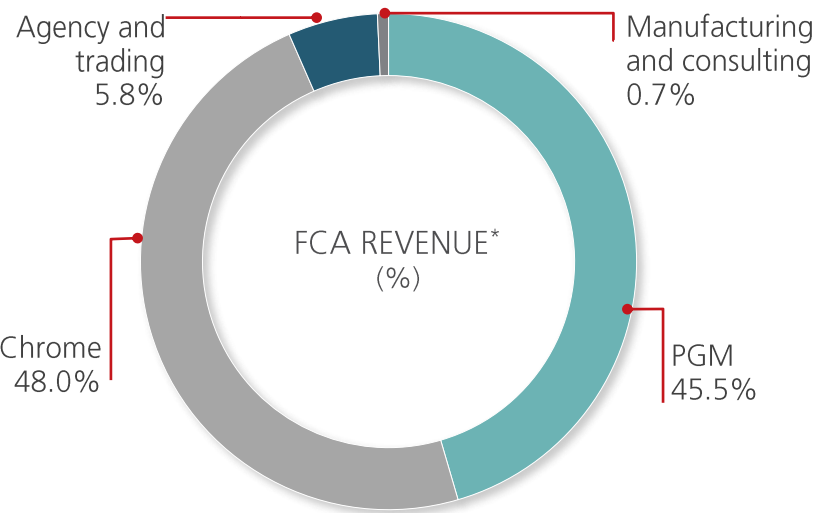
- Investment for the future – capex spend of US\$49.3 m
- Deleveraged balance sheet – net cash of US\$112.7 m

MULTI COMMODITY REVENUE STREAM

US\$335.3 m
Revenue

Benefits of co-production model

PGM sales of 76.8 koz
Average PGM basket price of US\$2 216/oz
Metallurgical grade chrome sales of 712.9 kt
Average chrome price of US\$247/t



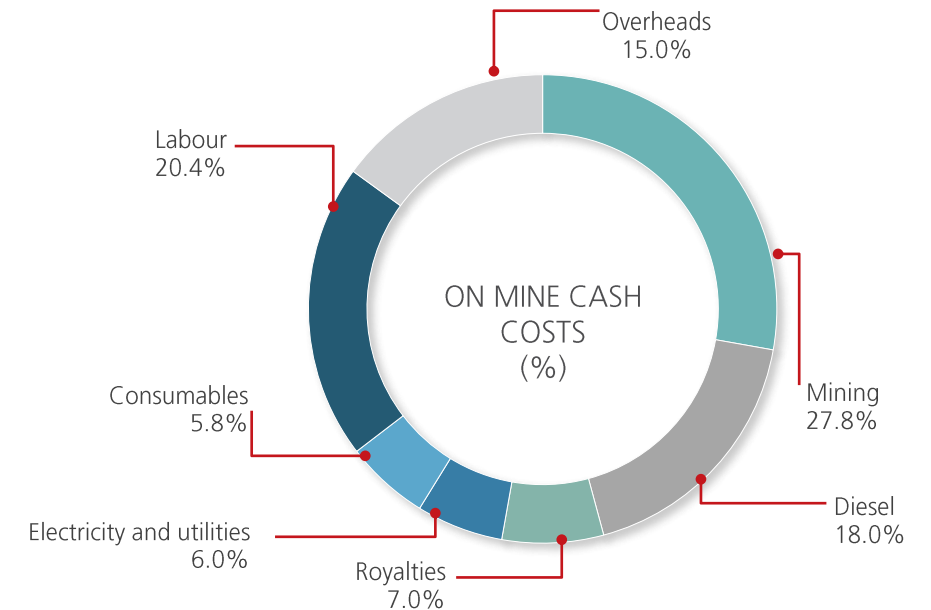
ACTIVE UNIT COST MANAGEMENT

	Units	HY2023	HY2022	% change
Cubes mined	Mm ³	7.3	10.3	(29.1)
Cost per cube mined*	US\$/m ³	10.4	8.5	22.4
Reef tonnes mined	Mt	2.1	2.8	(25.6)
Cost per reef tonne mined*	US\$/t	36.0	31.0	16.4
Tonnes milled	Mt	2.8	2.8	0.1
On mine cash cost per tonne milled [#]	US\$/t	48.2	46.1	4.6
Consolidated cash cost per tonne milled [#]	US\$/t	53.4	50.4	5.9
Chrome inland logistics and freight costs	US\$/t	82.5	92.4	(10.7)
Exchange rate	US\$:ZAR	17.7	15.3	15.7
All in cost per Pt ounce sold [^] (by product)	US\$/oz	288	(437)	

Costs include ROM stockpile at 31 March 2023 of US\$5.1 m
Deferred stripping of US\$8.6 m

*inclusive of deferred stripping and exclusive of ore purchases [#]exclusive of capitalised deferred stripping and selling expenses

[^]All in cost includes operating cost, administration costs, deferred stripping and capital; HY2022 negative AISC per PT ounce due to high rhodium price offset



HEALTHY GROSS PROFITS

US\$93.6 m

Gross profit a decrease of 23.7%

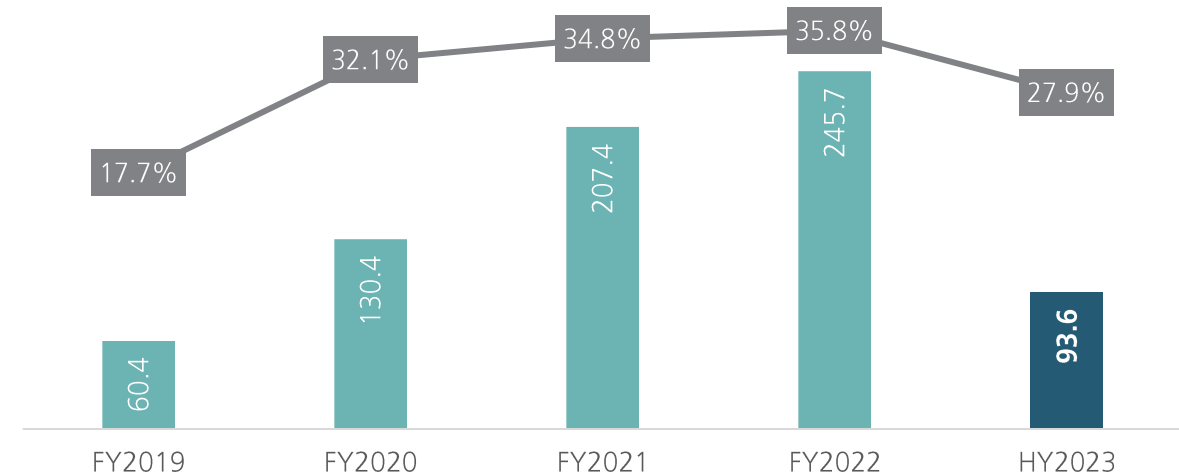
Weakening ZAR to US\$ exchange rate of 15.7% partially offset inflation

Healthy gross profit margins despite input cost pressures*:

US\$:

- Explosives +1.2%
- Diesel +16.2%
- Land side logistics +8.9%

GROSS PROFIT AND MARGIN
(US\$ m)



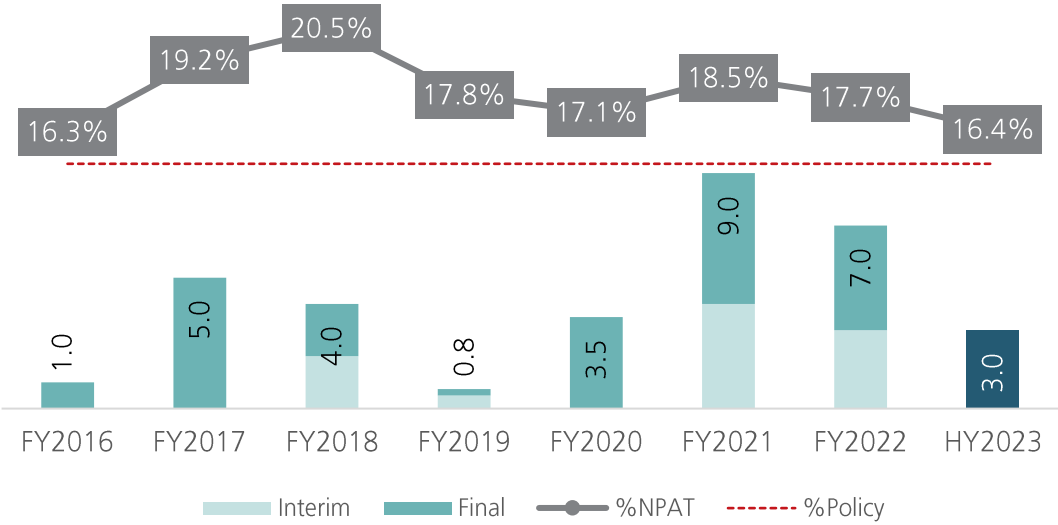
*in US\$ terms – ZAR unit costs benefitting from weaker exchange rate

US 3 cents
Interim dividend for HY2023

16.4% of NPAT
Policy minimum of 15% of NPAT

US\$91.6 m
Cumulative distributions to shareholders over 8 years

Commitment to capital discipline



INVESTING IN OUR BUSINESS

US\$49.3 m

Total capex spent

Continued to invest in asset base = sustainable operations
Tharisa to spend \$48.8 m in H2 excluding deferred stripping

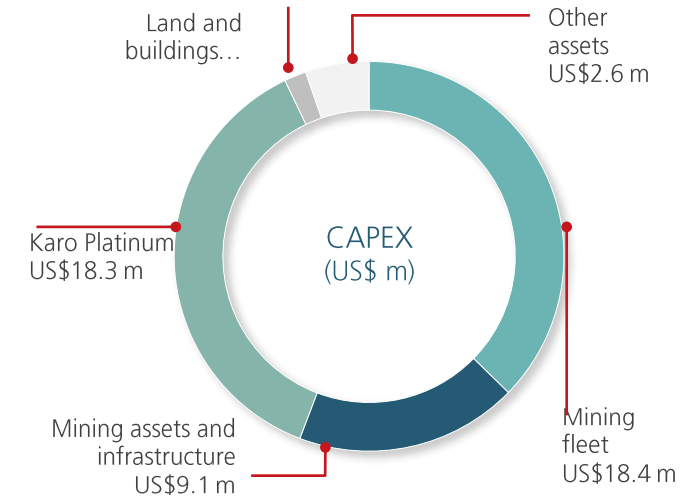
US\$18.3 m

Capex spent on Karo Platinum for HY2023

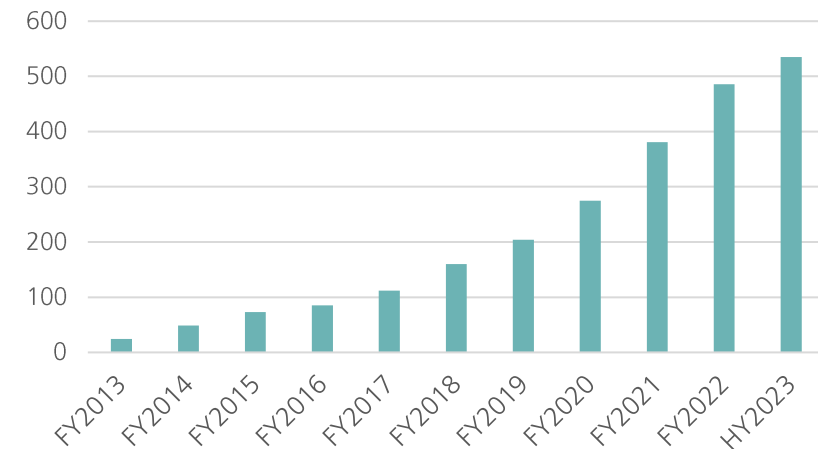
Karo Platinum budgeted capital of US\$391 m
Commitments for US\$60.1 m signed
~US\$160 m to be spent in H2 of FY2023

+US\$530 m

Investments made over a decade resulting in financially sustainable operations



CUMULATIVE CAPITAL INVESTMENT – 10 YEAR VIEW
(US\$ m)



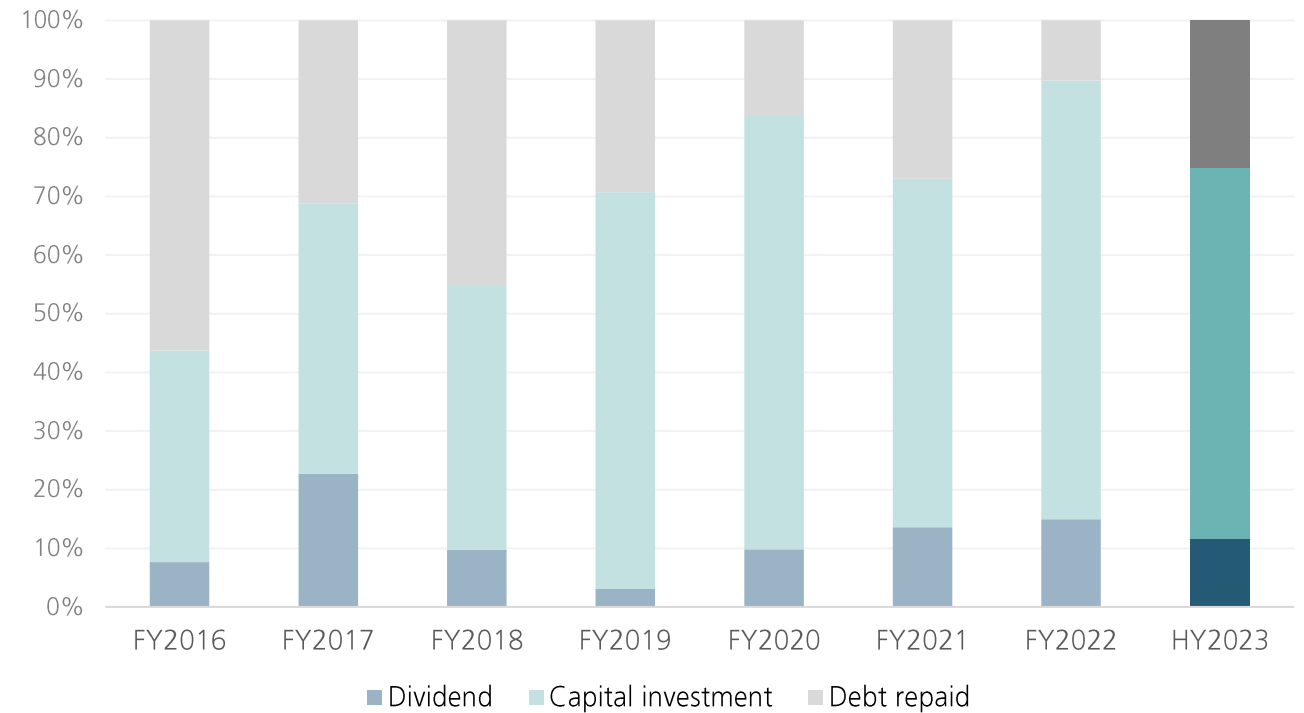
POSITIONED TO NAVIGATE MACRO ECONOMIC EVENTS - ENABLING INVESTMENT IN SUSTAINABLE GROWTH

POSITIONED FOR STRATEGIC GROWTH

Strong cash flow generation

- Deleveraging of the balance sheet
- Investment in existing operations and growth
- Adherence to dividend policy

CAPITAL ALLOCATION (%)



ROBUST BALANCE SHEET

US\$205.7 m

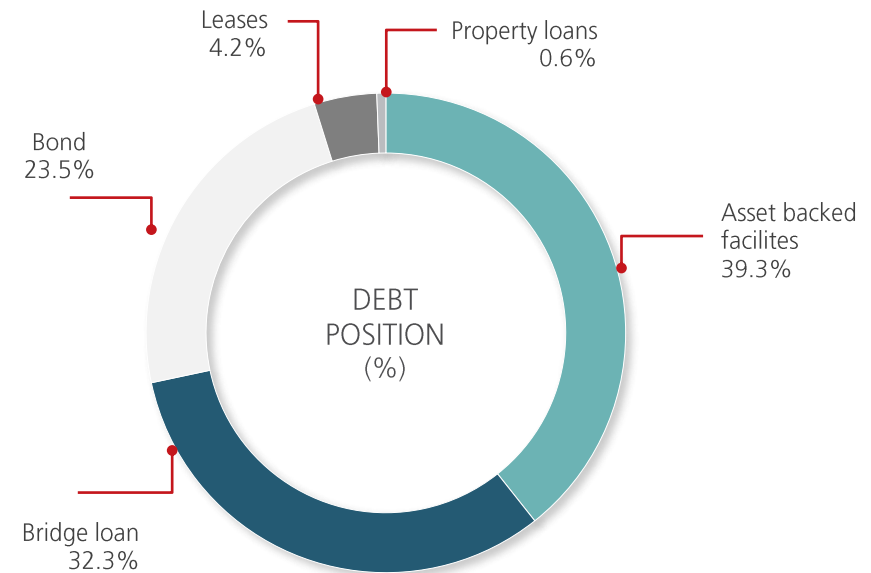
Cash and cash equivalents

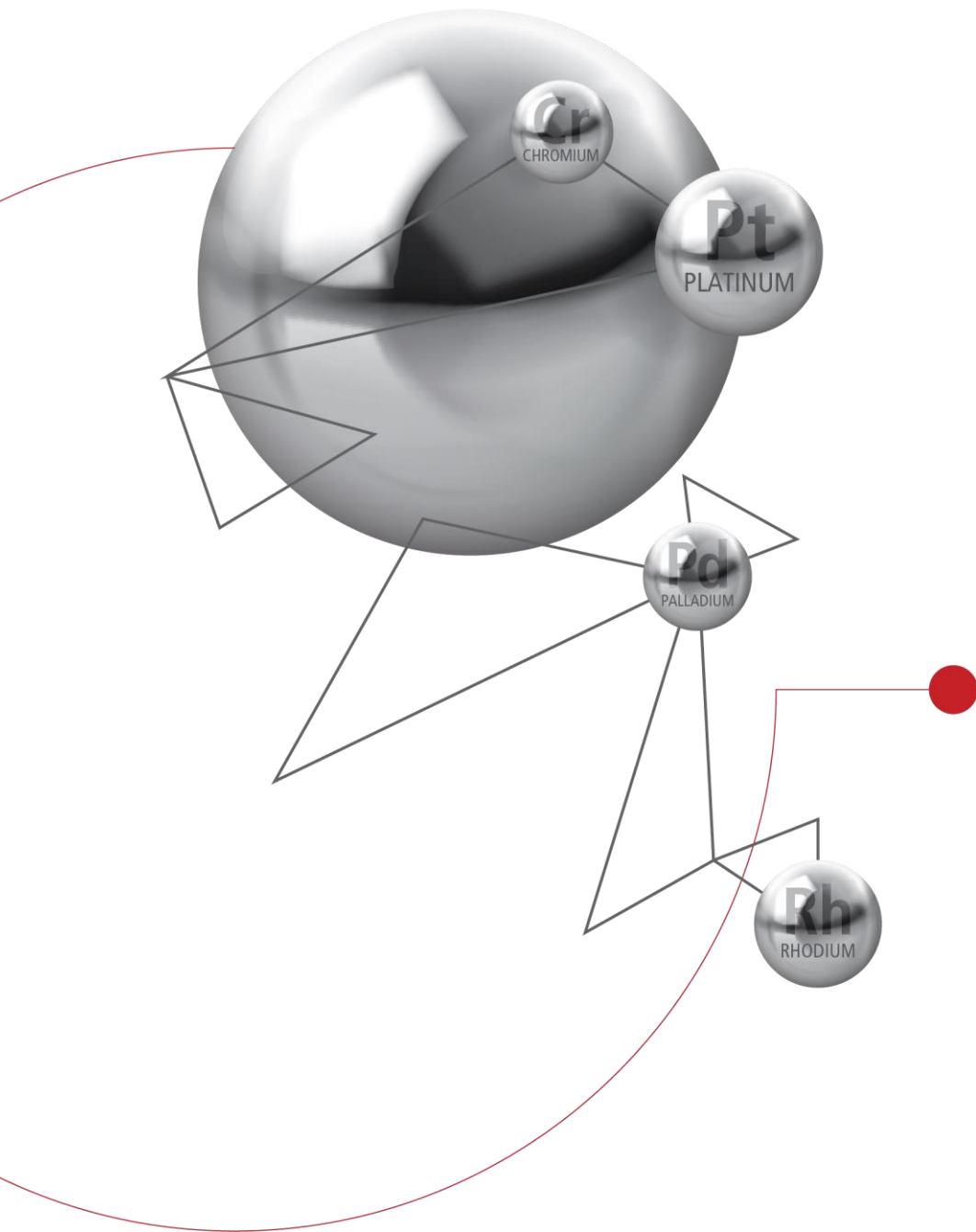
Cash generative despite inflationary pressures
Net cash flow from operations of US\$97.1 m
Net cash of US\$112.7 m

US\$93.0 m

Total debt

Short term of US\$48.4 m
New debt facilities
Current ratio of 2.4
Net debt to EBITDA of (1.4)
Net debt to equity (16.9%)





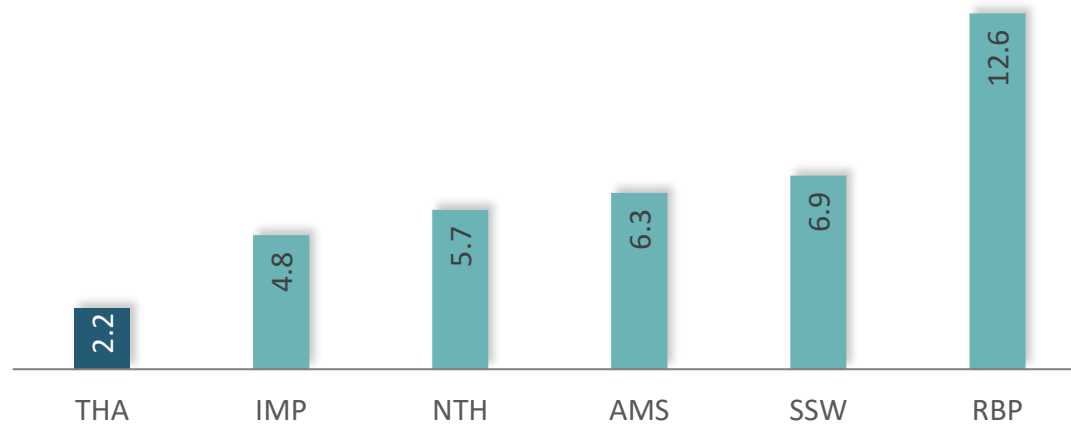
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VALUE PROPOSITION

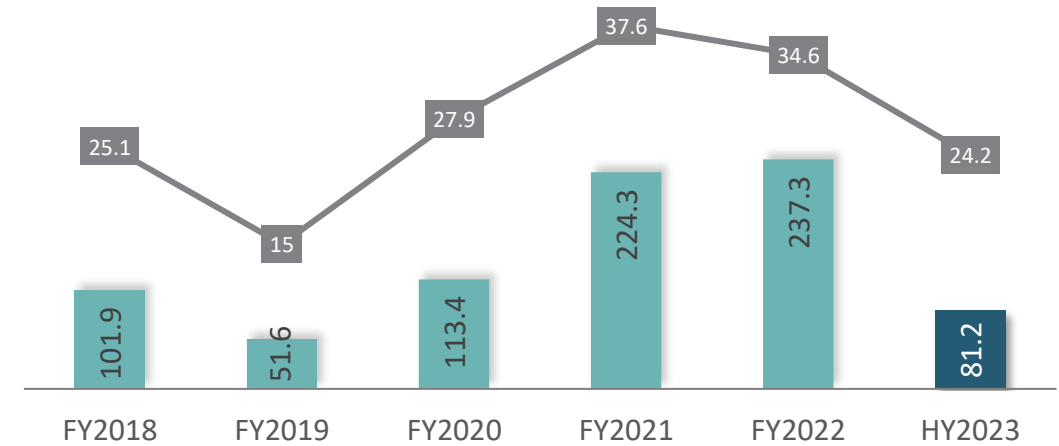
INVESTMENT OF CHOICE – VALUE AND GROWTH

GBP2.20
CONSENSUS TARGET PRICE

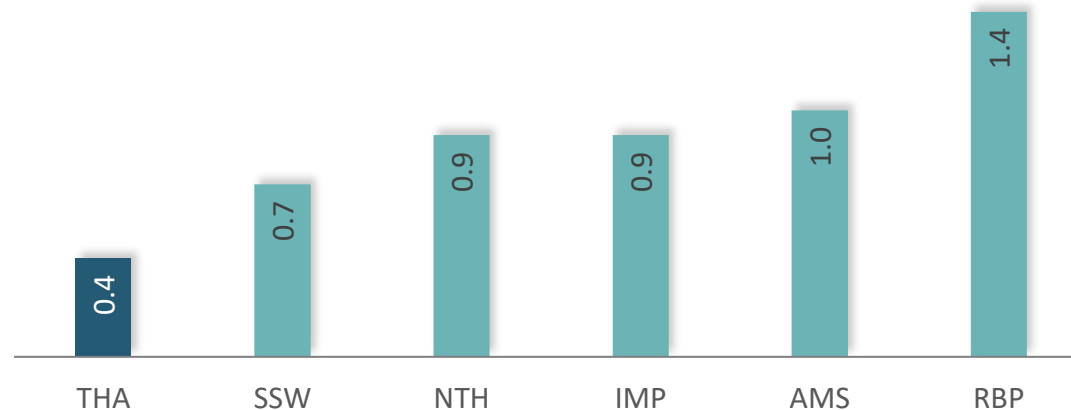
P/E



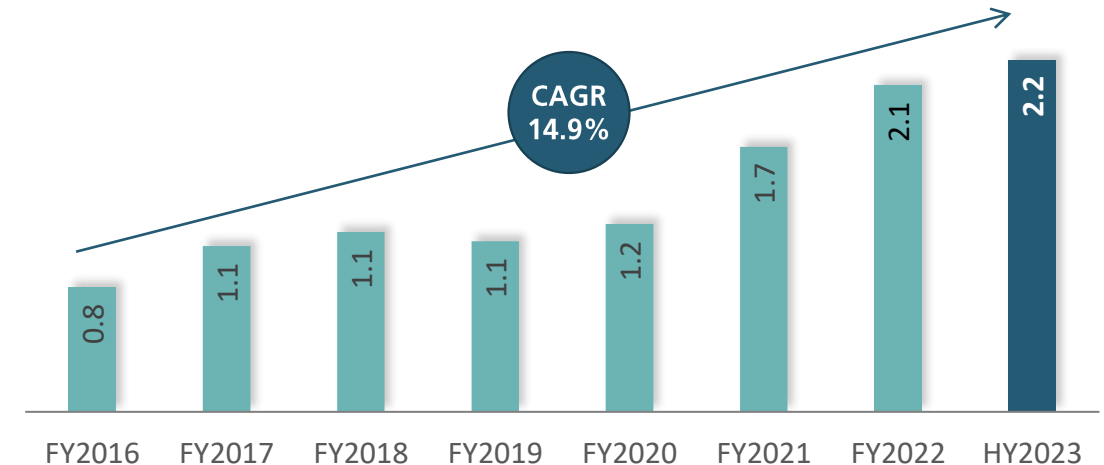
EBITDA MARGIN (%)



P/NAV

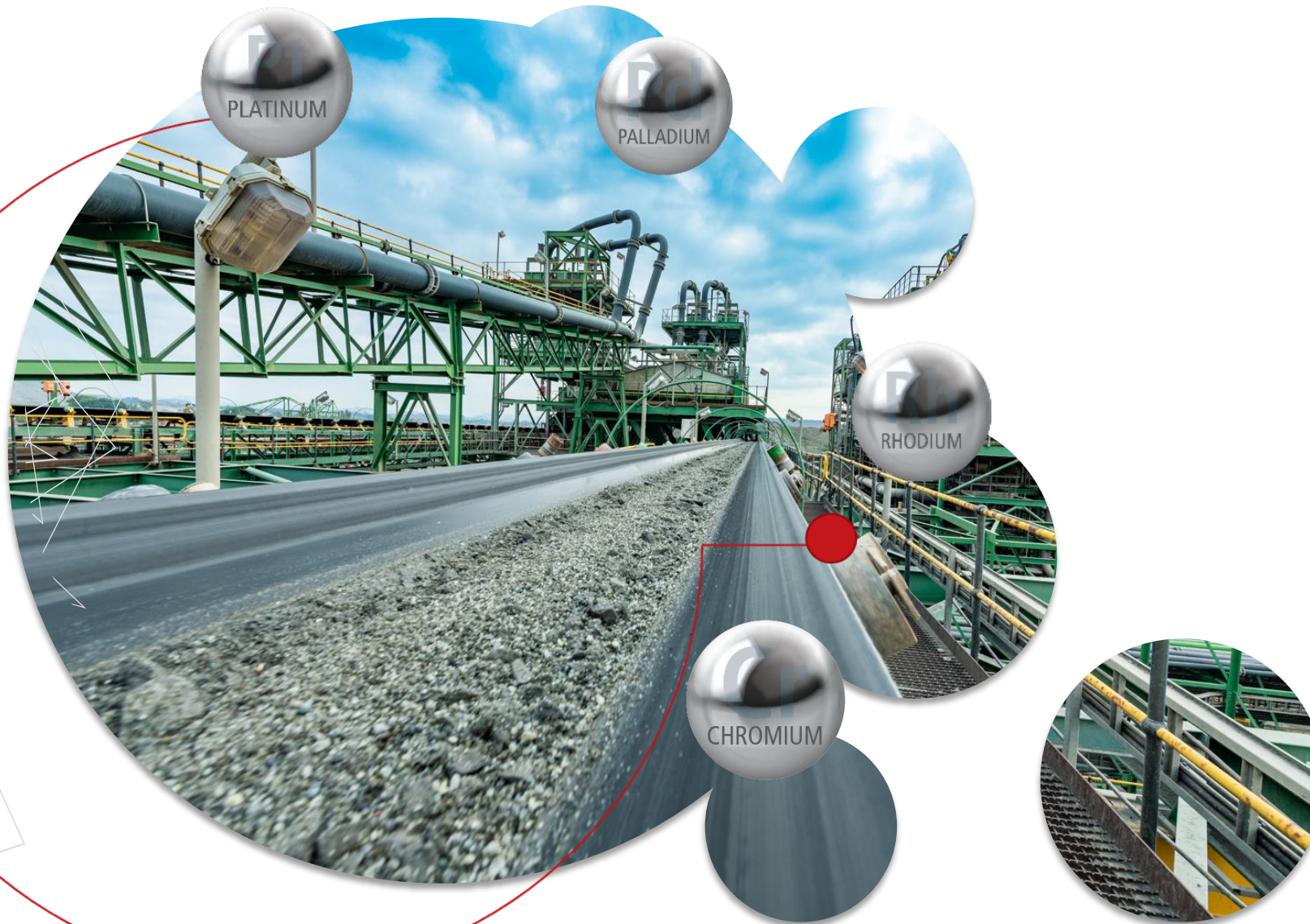


NAV GROWTH



Source: Reuters and BMO – 10 May 2023

QUESTIONS



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