tharisa

DISCOVER DEVELOP DELIVER DIVERSIFY

27 May 2021

A HALF THAT BEATS THE YEARS

THS:LSE • THA:JSE

FY2021 Interim Results Presentation

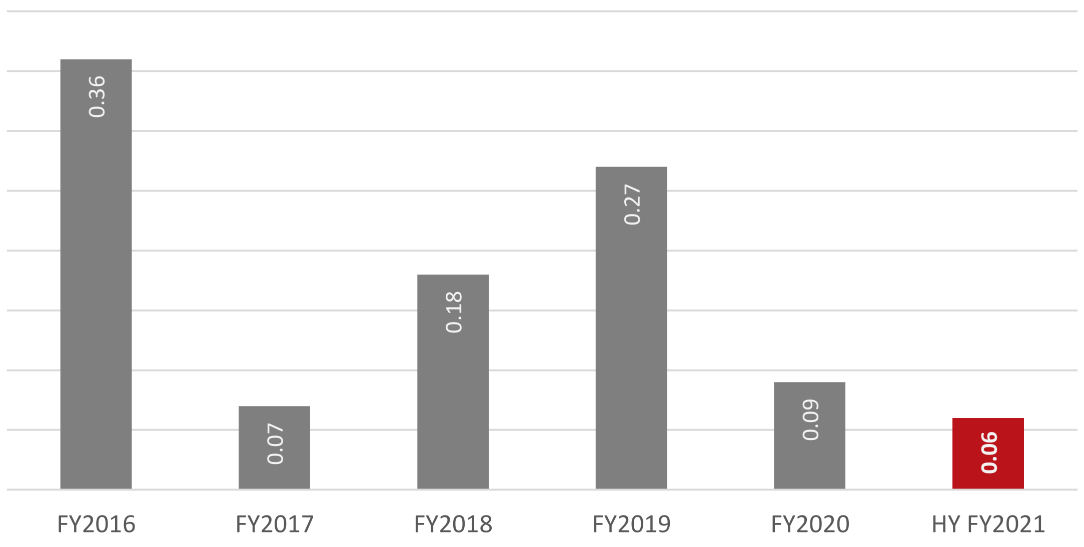
Enriching lives through innovating the resources company of the future

SAFETY, SUSTAINABILITY AND ESG

LTIFR	FATALITY FREE SHIFTS
0.06 PER 200 000 HOURS	**6 030**

- The safety and health of our people is a core value
- We take responsibility for the effect that our operations may have on the environment
- We are taking steps to reduce our carbon footprint in line with the principles of the 2015 Paris Agreement
- We are committed to the upliftment of our local communities
- We conduct ourselves with integrity and honesty

SAFETY



tharisa	Confirmed Cases	Recoveries	Deaths	Active Cases	Vaccine Rollout
	172	162	2	8	1

CARING BEYOND THE MINE GATE

AET LEARNERS	LEARNERSHIPS	INTERNSHIPS
35	28	55

- Donation of blankets to pensioners in surrounding communities
- Replacement of broken windows and doors at Machadam School
- Community drivers licence programme to date, 15 community members
- Local SMME support
- COVID-19 community support – food parcels, hygiene and sanitisers
- Community own 6% unencumbered equity in Tharisa Minerals









FY2021 INTERIM RESULTS IN REVIEW

UNIT COST CONTROL
reef tonnes mined costs **down 1.6%,** reef tonnes milled costs **down 5.1%**

DIGGING DEEP
resilience of employees, four year wage agreement signed with all unions

INCREASED MINING AND PRODUCTION
increase of 8.7% to 2.5 Mt with above LOM strip ratio

TAILWINDS

RALLY IN PGM PRICES, **INCREASE** IN CHROME PRICES
PGM **increased by 75.1%**, chrome concentrate **up 5.1%**

EBITDA: US$124.2 m
(2020: US$36.2 m)

VOLATILE EXCHANGE RATE AND **ESKOM** UNCERTAINTY
winter load shedding scheduled

HEADWINDS

LOGISTICS BOTTLE NECKS AND AVAILABILITY
rising freight prices post Q2

CURTAILED PRODUCTION
flash flooding and secondary mill repairs

COVID-19 PANDEMIC
preparing for third wave

FY2021 INTERIM RESULTS SALIENT FEATURES

REEF MINED

2.5 Mt

up 8.7%

(2020: 2.3 Mt)

PGM PRODUCTION (5PGE+Au)

75.1 koz

up 12.9%

(2020: 66.5 koz)

CHROME CONCENTRATE PRODUCTION

730.7 kt

up 12.0%

(2020: 652.6 kt)

REVENUE

US$313.6 m

up 61.2%

(2020: US$194.6 m)

OPERATING PROFIT

US$104.5 m

up 368.6%

(2020: US$22.3 m)

EBITDA

US$124.2 m

up 243.1%

(2020: US$36.2 m)

PROFIT BEFORE TAX

US$104.6 m

up 497.7%

(2020: US$17.5 m)

EPS

US 21.4 cents

up 494.4%

(2020: US 3.6 cents)

OPERATING CASH FLOW

US$104.9 m

up 164.2%

(2020: US$39.7 m)

ROIC

35.1%

(2020: 10.6%)

INTERIM DIVIDEND

US 4 cents

NET CASH

US$29.8 m

up 213.7%

(2020: -US$26.2 m)

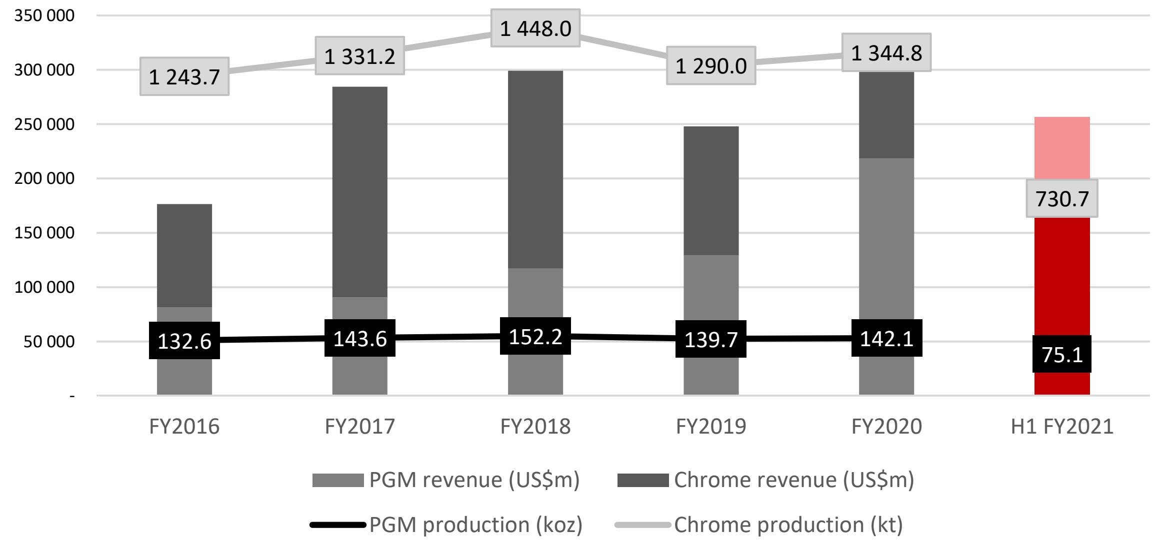
*ROIC - annualised, calculated as the net operating profit after tax divided by the average invested capital (comprising total assets less cash and non-interest-bearing short-term liabilities) tharisa

FINANCIAL METRICS

REVENUE

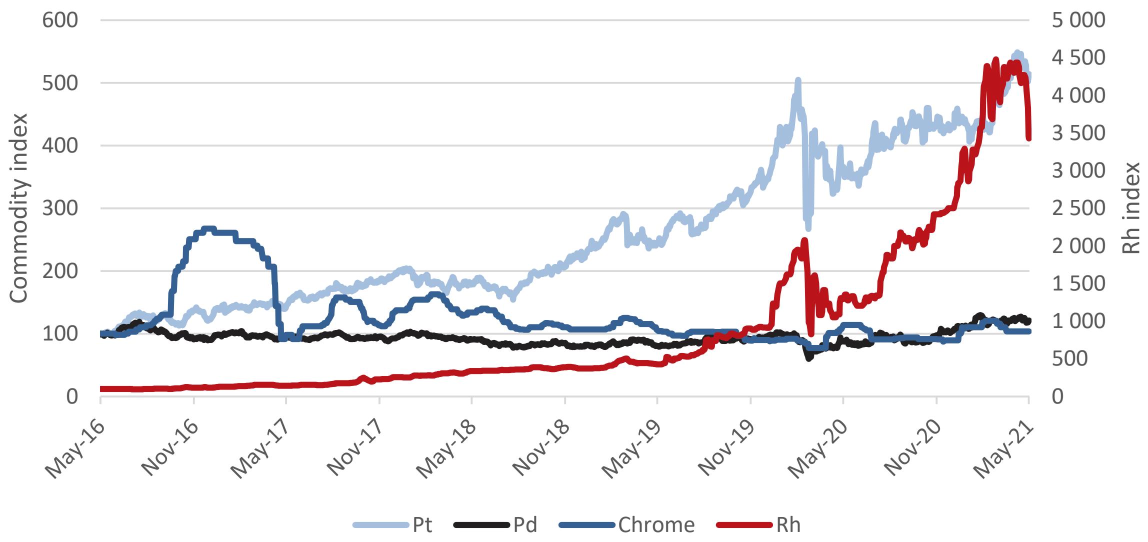
PGM GUIDANCE	CHROME GUIDANCE
155 - 165 koz	**1.45 – 1.55 Mt**

REVENUE AND PRODUCTION HISTORY



COMMODITY PRICING

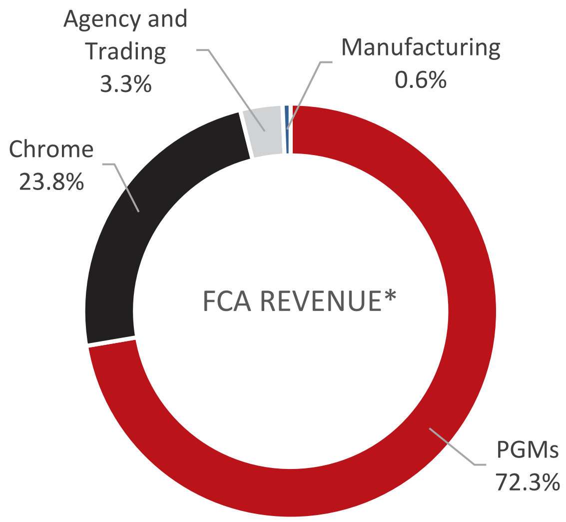
(REBASED TO 100 – MAY 2016)



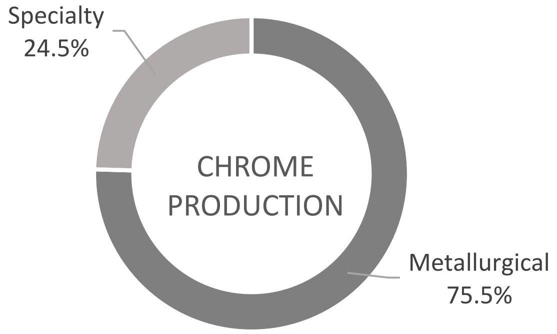
CO-PRODUCTION MODEL

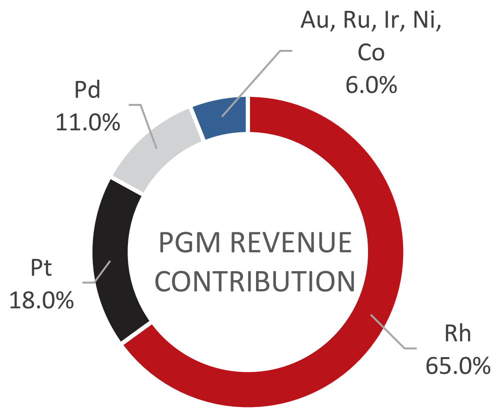
REVENUE AND GROSS PROFIT

PGM GROSS PROFIT MARGIN	CHROME GROSS PROFIT MARGIN
49.9%	**29.5%**

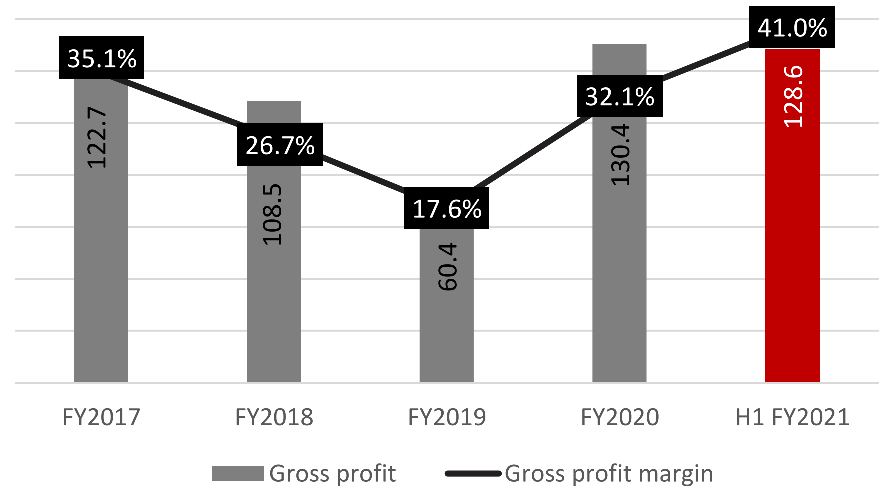


– Gross profit margins improved to 41.0% (2020: 22.4%)
– The major factors contributing:
  – increased sale volumes
  – increase in the PGM basket price
  – reduced units costs





GROSS PROFIT (US$m)



**Net of inland logistics and freight costs*

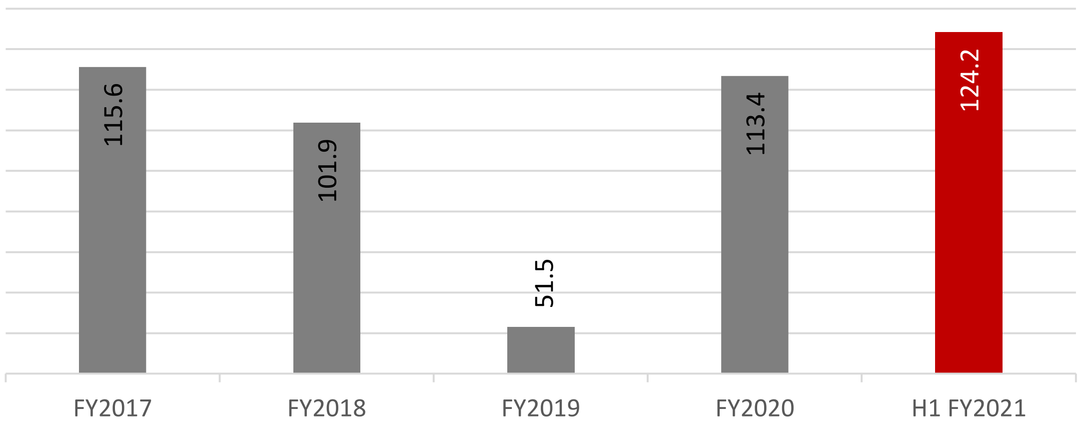
CO-PRODUCTION MODEL

PROFITABILITY

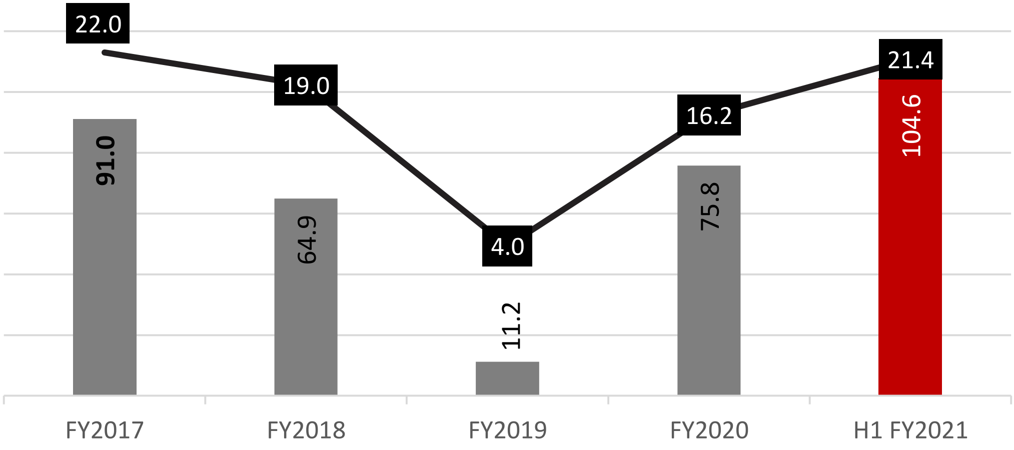
PROFITABLE THROUGH THE CYCLE

METRIC	UNIT	H1 FY2021	H1 FY2020	% change
Revenue	US$ m	313.6	194.6	+61.2
EBITDA	US$ m	124.2	36.2	+243.1
Profit before tax	US$ m	104.6	17.5	+497.7
Earnings per share	US cents	21.4	3.6	+494.4
Dividend per share	US cents	4.0	-	
Return on invested capital*	%	35.1	10.6	+231.1

EBITDA
(US$m)



PROFIT BEFORE TAX AND EPS
(US$ m) (US cents)



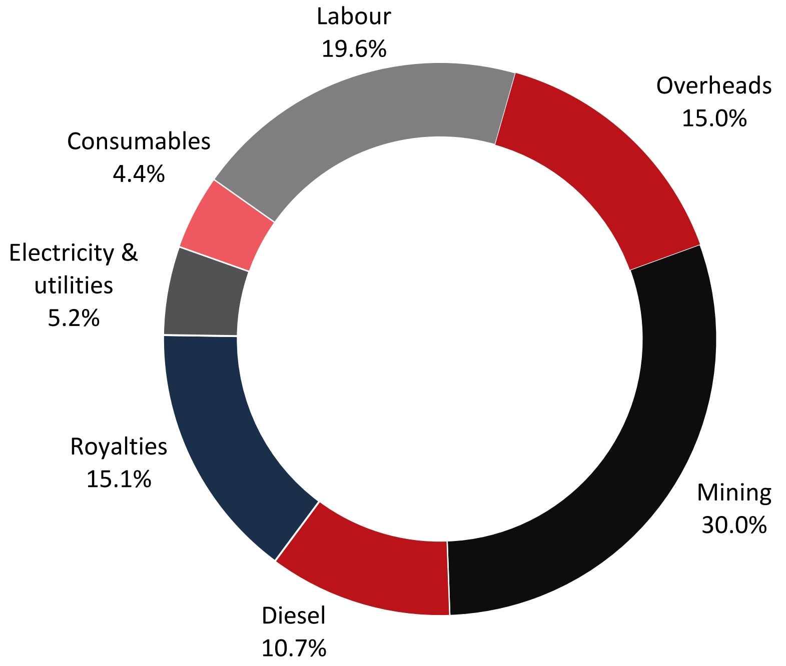
*annualised, calculated as the net operating profit after tax divided by the average invested capital (comprising total assets less cash and non-interest-bearing short-term liabilities)

COSTS

VOLUME OUTPUT REDUCES UNIT COSTS

METRIC	UNIT	H1 FY2021	H1 FY2020	% change
Cubes mined	Mm^3	8.8	8.2	+7.6
Cost per cube mined*	US$/$m^3$	8.6	8.6	-
Reef tonnes mined	Mt	2.5	2.3	+8.5
Cost per reef tonne mined*	US$/t	30.5	31.0	-1.6
Tonnes milled	Mt	2.7	2.4	+14.3
Consolidated cash cost per tonne milled**	US$	44.9	47.3	-5.1
Chrome inland logistics and freight costs	US$/t	63.6	63.4	+0.3
All in cost per Pt ounce sold^ (by product)	US$/oz	(316.1)	1 335.5	

ON MINE CASH COST OF SALES



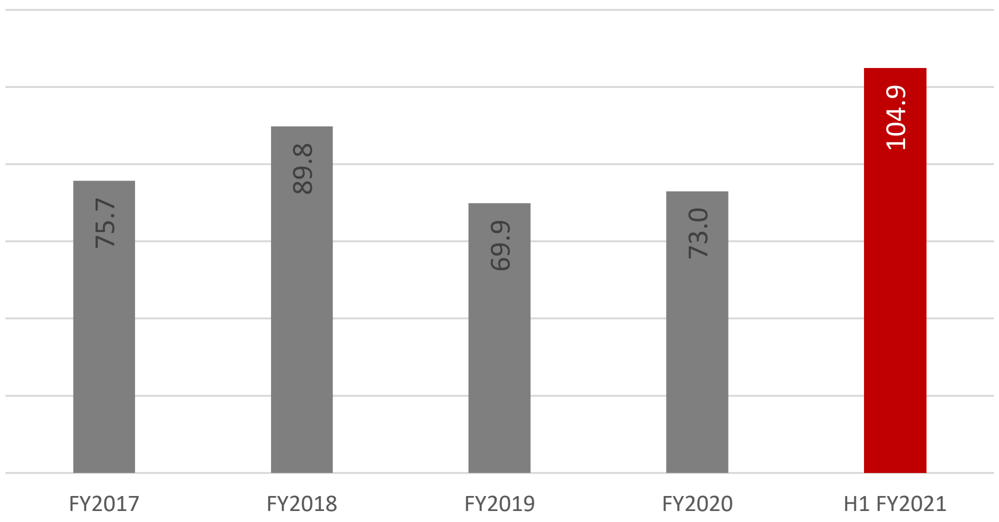
*inclusive of capitalised deferred stripping of USD13.9 m ** exclusive of capitalised deferred stripping ^All in cost includes operating cost, administration costs, deferred stripping and capital

CASH FLOW AND DIVIDENDS

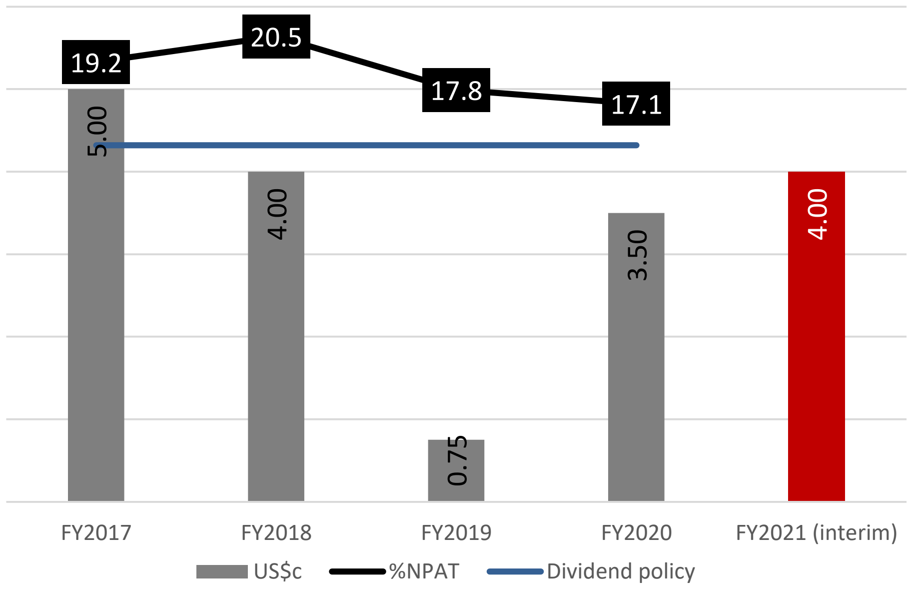
- Operating cash flow of US$104.9 m
  - Additions to property plant and equipment of US$39.5 m
  - Repayment of Senior Debt Facilities of US$36 m
  - Dividend of US$9.4 m
- Net cash increase by US$20.2 m

- Payment of interim dividend post COVID-19
- Ensuring returns for shareholders while pursuing growth opportunities organically
- Investment in Zimbabwe ~US$10 m

CASH FLOW FROM OPERATING ACTIVITIES (US$m)



CONSISTENT DIVIDEND PAYER



HEALTHY OPERATIONAL CASH GENERATION

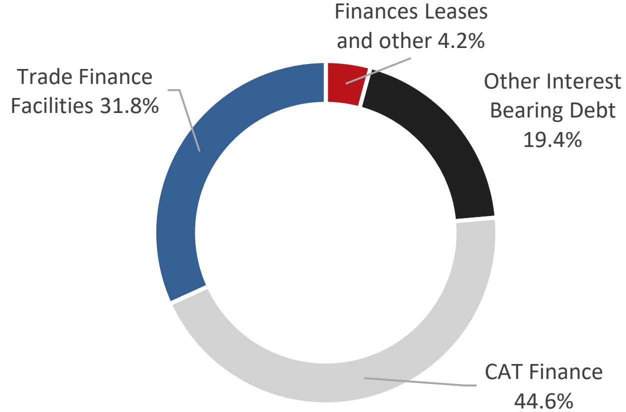
BALANCE SHEET AND CAPEX

CONTINUOUS INVESTMENT AND HEALTHY BALANCE SHEET

- Cash and cash equivalents of US$72.8 m
  - Total debt of US$43.0 m
  - Positive net cash of US$29.8 m
  - Current ratio of 2.5x
  - Debt to EBITDA* ratio of 0.17
- Deleveraged balance sheet and Vulcan self-funding

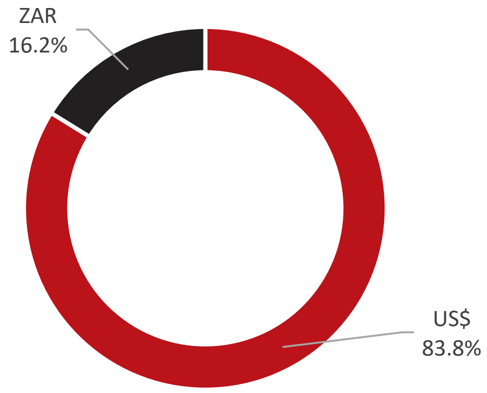
- FY2021 sustaining capex US$54.4 m (excludes deferred stripping)
  - Vulcan Plant US$46.4 m
- Spent to date US$25.6 m (net of deferred stripping)
  - US$13.0 m fleet additions
  - US$7.2 m expansion capital
  - US$5.4 m on processing
- US$40 m remaining on Vulcan (end March 2021)

DEBT POSITION WITH TRADE FINANCE

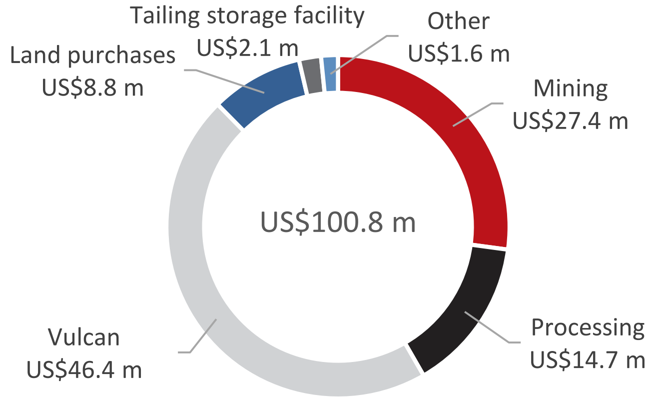


DEBT CURRENCY SPLIT

(EXCLUDING TRADE FINANCE)



FY2021 PLANNED CAPEX



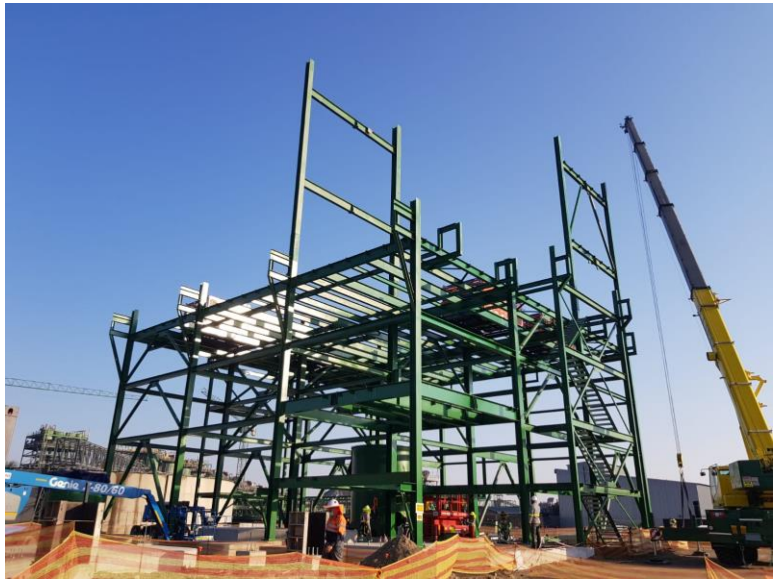
*annualised

CONTINUED SUSTAINABLE INVESTMENT

OUR BUSINESS

VULCAN PLANT

- Proprietary fine chrome recovery plant
- Construction continues
- Construction completion expected before year end
- 484 days LTI free on site



FOUNDATIONS OF SUSTAINABILITY

OREBODY

- Tabular continuous orebody
- Long life open pit
- Underground extension
- Multiple commodities
- PGMs & chrome

MINING

- Mechanised modern fleet
- Low energy exposure
- Highly skilled labour force
- Low unit costs
- AIC per Pt ounce (US$ 316/oz)

PROCESSING

- Innovation unlocking value
- Tailored extraction plants
- Maximum Recoveries
- Specialised products
- Multiple revenue streams

VALUE

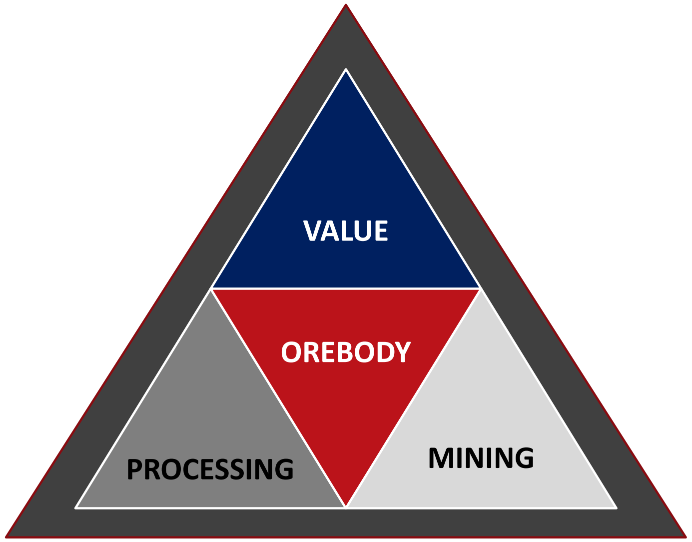
- Capturing the value stream
- Arxo Resources
- Arxo Logistics
- Arxo Metals
- Mining beyond the pit

SUSTAINABLE LONG TERM RETURNS

GROWTH

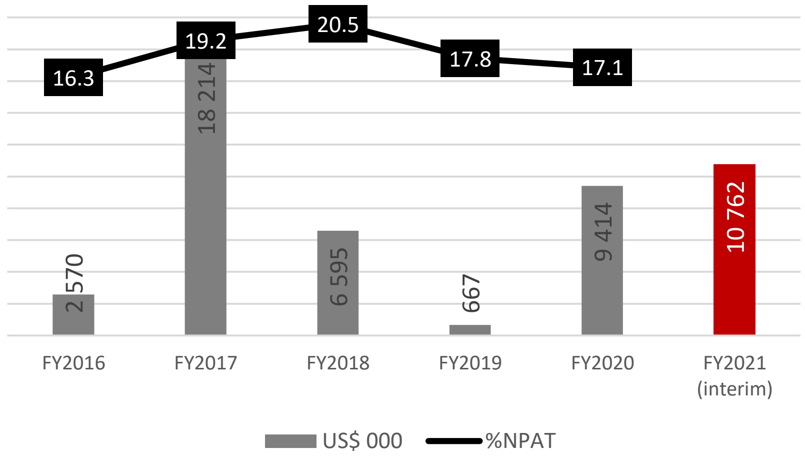
- **Complete organic growth opportunities**
  - Life of mine extension
  - Vulcan Plant – 2 million tonnes of chrome
  - Deliver on our 200 000 ounces of PGM production
- **Commercialise downstream opportunities**
  - PGM smelting and refining
  - Stainless steel alloys
  - Battery metal technologies
- **Consolidate external opportunities**
  - Salene Chrome *(Great Dyke, Zimbabwe)* - completed
  - Salene Manganese and Iron *(Northern Cape, South Africa)* - option
  - Karo Platinum *(Great Dyke, Zimbabwe)* – 26.8% stake and option

CAPITAL DISCIPLINE

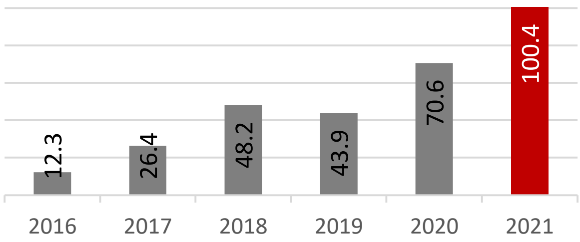


RETURNS

CAPITAL RETURNS TO SHAREHOLDERS



CONTINUOUS INVESTMENT (US$m)



- Investment throughout the cycles
- Capital exceeding depreciation
- Investment in human capital
- Investment in sustaining capital
- Capital & balance sheet discipline

QUESTIONS?

APPENDIX

CORPORATE PROFILE (THS:LSE THA:JSE)

CAPITAL STRUCTURE

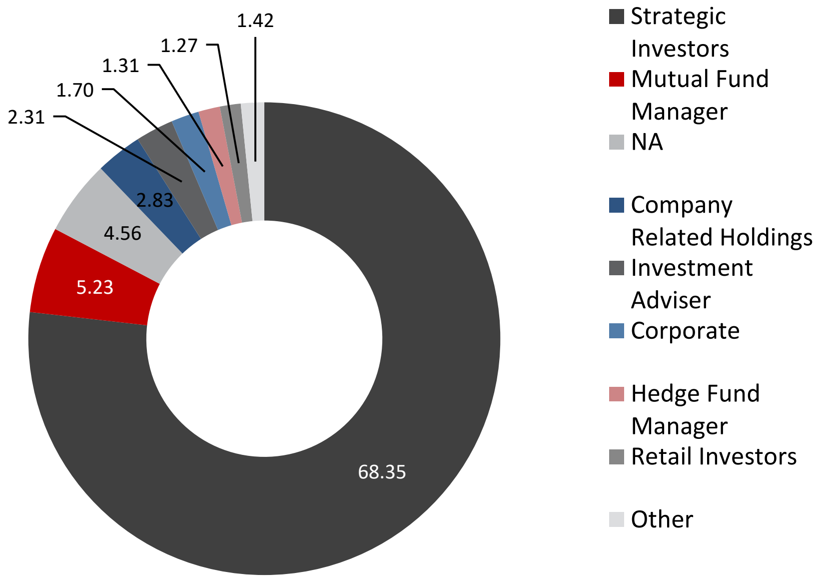
Issued shares	269.1 million
Market capitalisation*	GBP379.4m ZAR7.8bn
Avg daily volume ('000) *	409 (1 year trailing)
Net cash*	US$29.8 million
Debt*	US$43.0 million
Ore reserves (PGMs) **	42.8 Moz in contained 6PGE+AU
Ore reserves (Chrome) **	172 Mt in contained Cr_2O_3

DIRECTORS OF THARISA

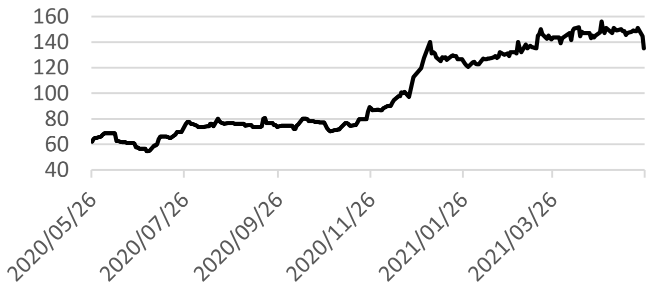
- Loucas Christos Pouroulis (Executive Chairman)
- Phoevos Pouroulis (Chief Executive Officer)
- Michael Gifford Jones (Chief Finance Officer)
- John David Salter (Lead independent non-executive director)
- Antonios Djakouris (Independent non-executive director)
- Omar Marwan Kamal (Independent non-executive director)
- Carol Bell (Independent non-executive director)
- Roger Davey (Independent non-executive director)
- Shelley Lo Chu (Non-executive director)
- Zhong Liang Hong (Non-executive director)

- Sanet Findlay (Group Company Secretary)
- Lysandros Lysandrides (Assistant Company Secretary)

SHAREHOLDER SPREAD



THS LSE SHARE PRICE (GBP)



ANALYST COVERAGE

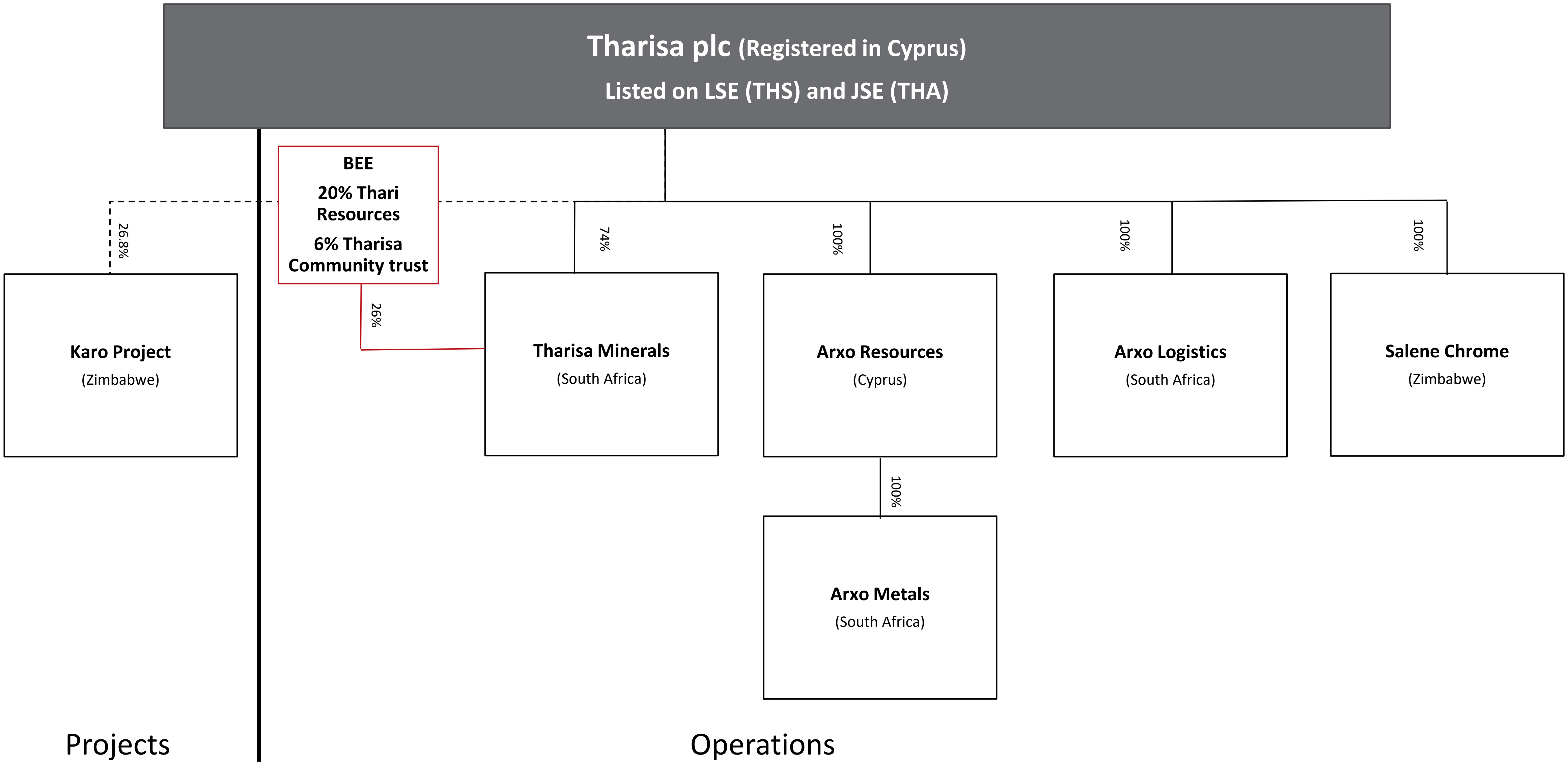
Berenberg	Richard Hatch
BMO	Raj Ray
Nedbank CIB	Arnold van Graan
Noah Capital	Luvuyo Booi
Peel Hunt	Peter Mallin-Jones
RenCap	Derick Deale, Steven Friedman

MAJOR SHAREHOLDERS

1	Medway Developments Limited	39.9
2	Rance Holdings Ltd.	14.4
3	Fujian Wuhang Stainless Steel Products Co. Ltd.	10.2
4	FIL Investment Advisors (UK) Ltd.	4.1
5	Maaden Invest Ltd.	3.8
		72.5

**data correct as at 26 May 2021, **Mineral Resource and Mineral Reserve Statement in 2020 annual report pages 50-55*

CORPORATE STRUCTURE

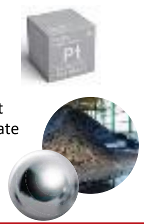


THARISA'S JOURNEY

2006
- Prospecting rights granted

2008
- Mining rights for Tharisa Mine granted
- Commenced trial mining
- US$65 million seed capital raised

2009
- Acquired 74% shareholding in Tharisa Minerals
- Commenced production of first chrome concentrate



2011
- US$95 million investment by Fujian Wuhang and HongKong HeYi Mining
- US$150 million prelisting capital raised
- Genesis Plant is commissioned at 100 ktpm capacity

2012
- Secured project finance facility of ZAR1 billion
- First bulk rail shipment
- Voyager Plant is commissioned at 300 ktpm capacity

2013
- Challenger Plant is commissioned

JSE

2014
- Listed on JSE, capital raised of US$47.9 million

London Stock Exchange Group

2016
- Listed on the LSE
- Project completion achieved

2017
- Agreement entered into for the purchase of mining fleet and transfer of employees from mining contractor to move to an owner-operated mining model
- Secured first third-party operating and trading agreement

2018
- Shareholding acquired in Karo Holdings
- Salene Chrome's shareholder grants call option for 90% shareholding

2019
- Approval of Vulcan Plant, a groundbreaking use of existing technologies in fine chrome recovery
- Achieved three million fatality-free shifts

2020
- COVID-19 pandemic
- Five years fatality free
- Vulcan project restart

COMMITMENT TO R&D AND INVESTMENT

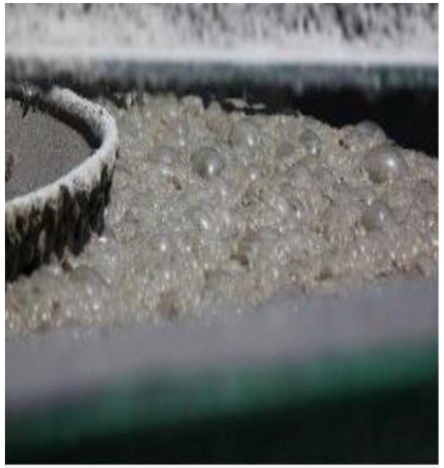
- Since the initiation, Tharisa has been committed to the beneficiation of its mineral products as well as the development and deployment of innovative processing and technology
- The R&D department of Tharisa has been developing a number of different projects,
  - Specifically targeting PGM beneficiation, chrome beneficiation
  - Development of niche products
  - Entered the energy market through various initiatives.
- To date Tharisa has spent approximately US$81 m on R&D projects
  - Including the commercialisation of these projects to operations and the current construction of the Vulcan Plant
- The Vulcan Process was conceptualised by the R&D department and is under construction
- Various areas of research include:
  - Original Tharisa Mine design including ferrochrome manufacturing capacity
  - The feasibility of ferrochrome smelting in China
  - Various PGM optimisation and beneficiation initiatives and studies
  - Development of niche chrome products and end uses
  - Energy related projects

R&D TO COMMERCIALISATION

1MW SMELTER

Producing PGM alloy and to develop further downstream processes

PGM OPTIMISATION PROJECTS

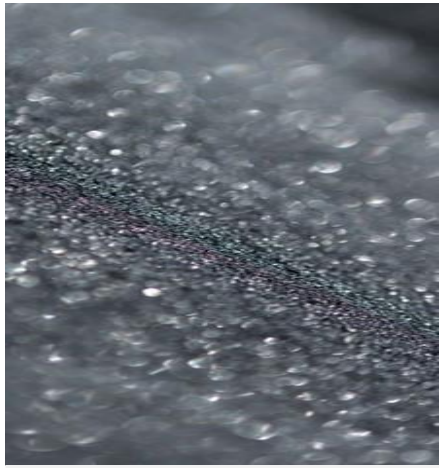


Successfully increasing the PGM recoveries at the Tharisa Minerals plants

CHALLENGER PLANT

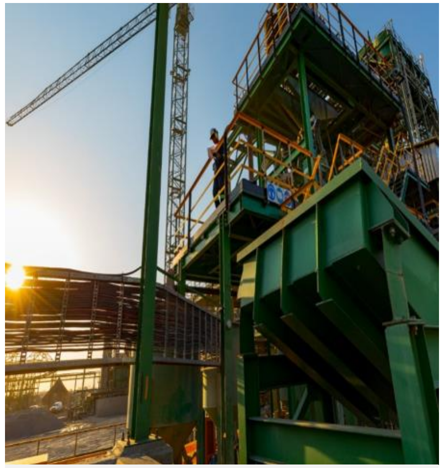
Production of higher value chemical and foundry grade chrome concentrates

FOURTH STAGE CRUSHING



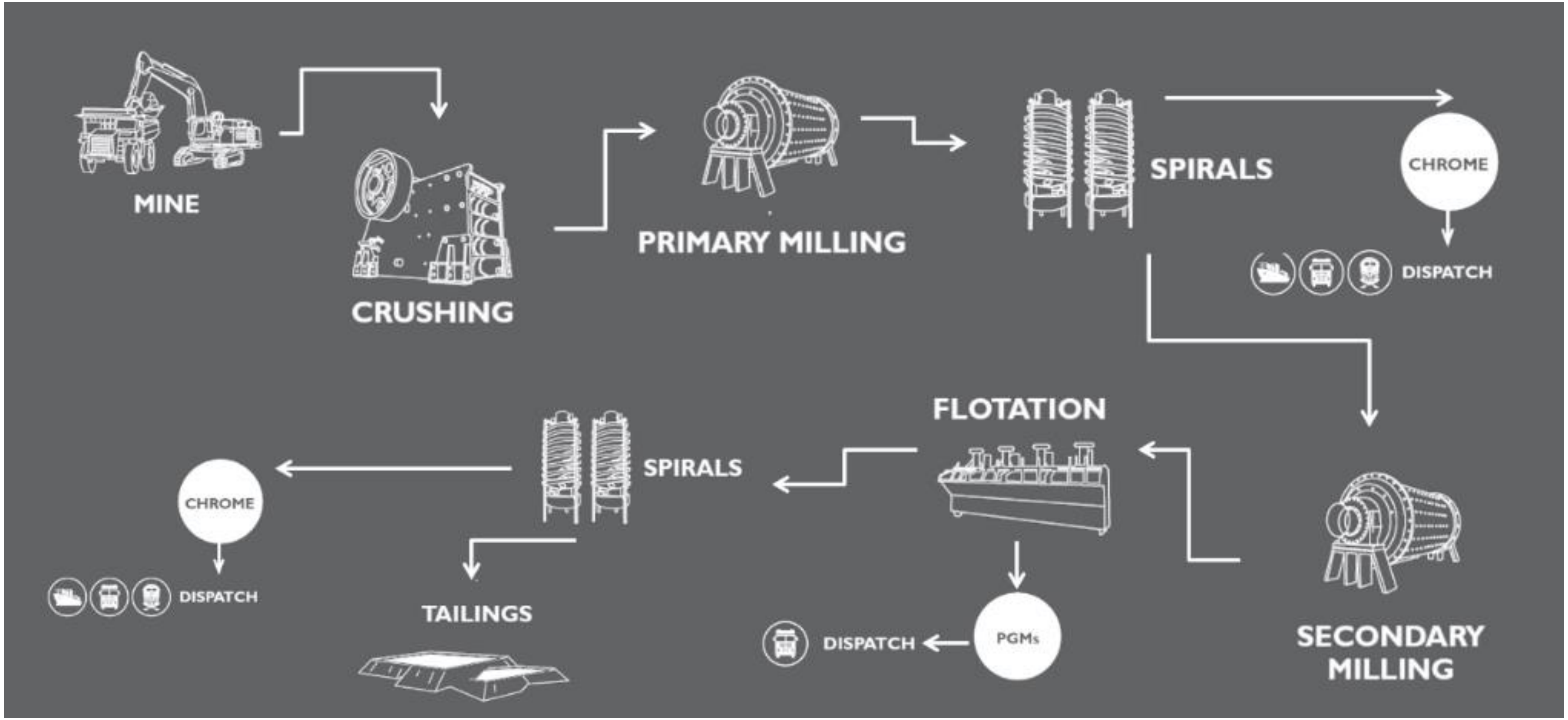
Increased the capacity for production of specialty chrome products at the Genesis Plant

VULCAN PLANT



In house developed process for the recovery of fine chrome

INNOVATIVE APPROACH



PROCESSING

GENESIS PLANT

- Nameplate capacity: 100 ktpm ROM
- Processes reef layers with lower PGM and higher chromite grades
- MG1 and MG4a horizons
- Challenger Plant recovers high value foundry grade and chemical grade chrome concentrates

VOYAGER PLANT

- Nameplate capacity: 300 ktpm ROM
- Processes reefs with higher PGM and lower chromite grades
- MG2 MG3 MG4 horizons
- Produces both metallurgical and chemical grade products

VULCAN PLANT

- Under construction
- Nameplate capacity: 340 ktpm tailings
- Proprietary ground-breaking use of existing technologies in fine chrome recovery
- Targeting improved chrome recovery from 65% to 82%

10tph demonstration plant

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