tharisa

DISCOVER DEVELOP DELIVER DIVERSIFY

THIS IS THARISA

March 2021

INVESTING IN SUSTAINABILITY

THS:LSE • THA:JSE

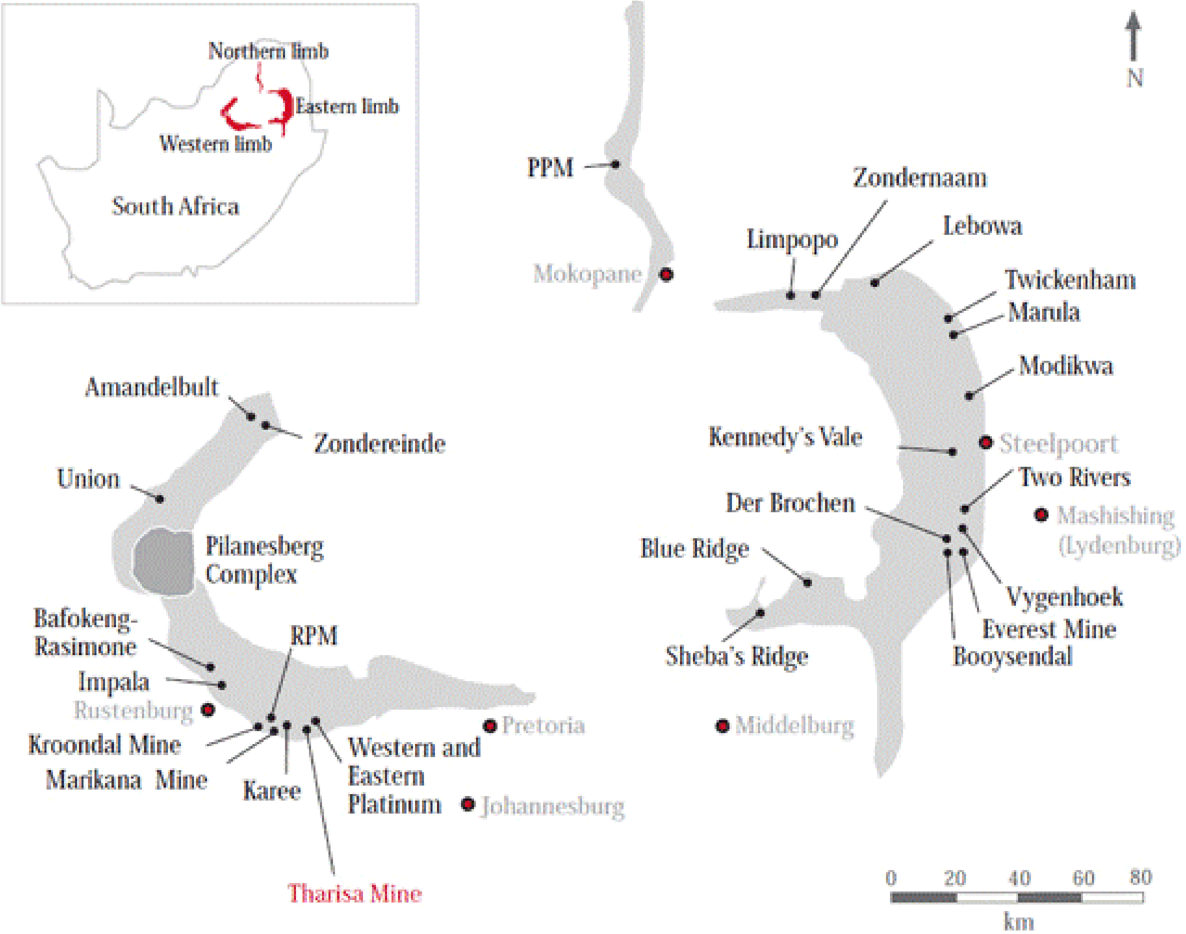
BMO 30th Global Metals and Mining Conference

WHO WE ARE

859.58 MT IN MINERAL RESOURCE

- 42.79 MOZ IN CONTAINED 6PGE+Au*
- 172 MT IN CONTAINED Cr_2O_3*

- Leading PGM and chrome co-producer
- 14 year LOM open pit located in the heart of PGM and chrome country
- Close to infrastructure, road, rail and power
- Mechanised, with a highly skilled workforce
- Tharisa is a product of the new mining code - fully compliant
- Drive to add value to the product we mine and capture more margin
- R&D team have developed exposure to the chemical chrome market, Vulcan fine chrome recovery technology, applications for chrome and new smelting opportunities in the PGM market



South Africa hosts over two-thirds of the world's PGMs & chrome

*Mineral Resource and Mineral Reserve Statement in 2020 annual report pages 50-55

SAFETY, SUSTAINABILITY AND ESG

REDUCE CARBON EMISSIONS BY 2030

LTFIR

0.09

Lost Time Injury Frequency Rate
30 September 2020

FATALITY FREE YEARS

5+

Achieved: 28 September 2020

ENVIRONMENT

TOTAL ENERGY CONSUMPTION
185 807 MWh
TOTAL CO_2 EMISSIONS (SCOPE 1)
82 829 tCO_2e
CUMULATIVE REHABILITATION PROVISION
US$17.3 m
TOTAL WATER CONSUMPTION
1 290 346 m^3

58

Engineering Learnerships

40

Interns and Graduates

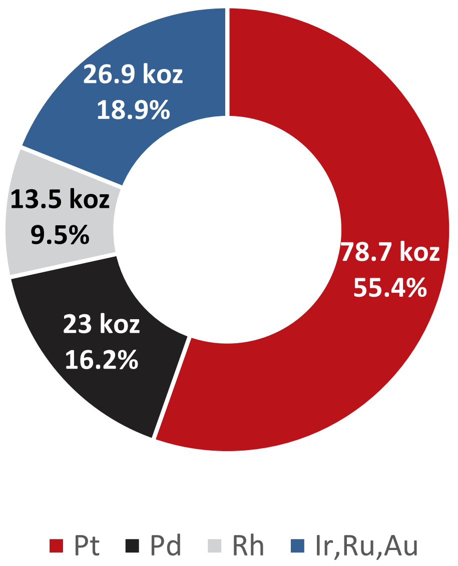
209

Adult Education and Training learners

POSITIONING THARISA

- Sixth largest listed South African PGM producer
  - 142 100 ounces per annum of PGM
- Tharisa position in terms of global demand
  - ~1.3% of platinum demand
  - ~0.3% of palladium demand
  - ~2% of rhodium demand

THARISA PRILL SPLIT 6E

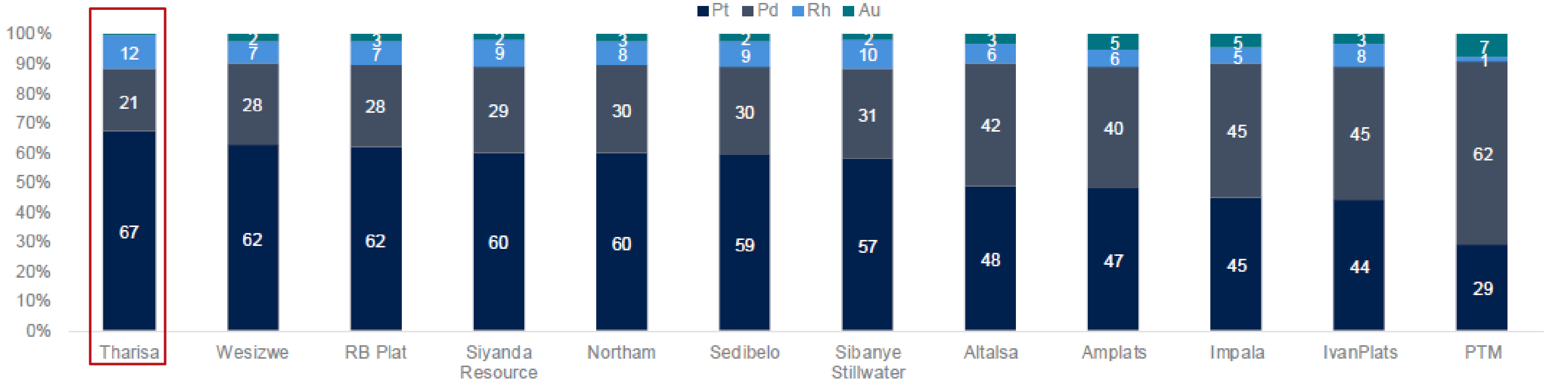


Source: Investec, (1) Jan22, 2021 (2) Based on analyst estimates as of Q4 2020

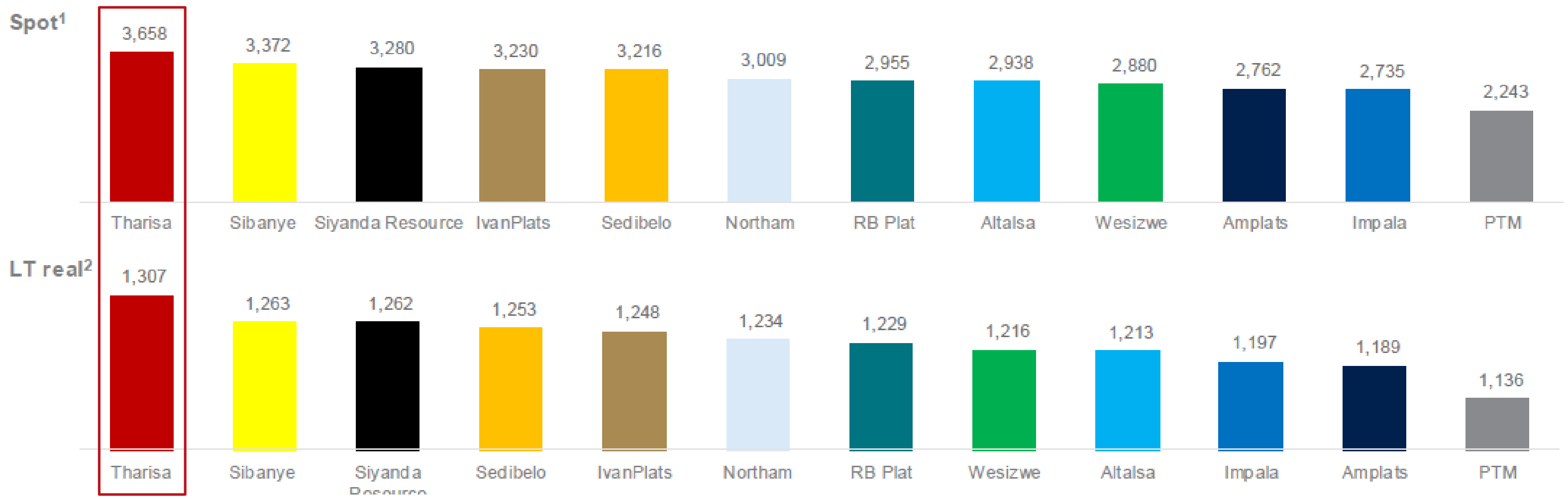
Resource - Prill split and basket price

Tharisa's prill split favour's Pt & Rh and therefore ranks attractively on current and future basket price assumptions

Resources prill split %



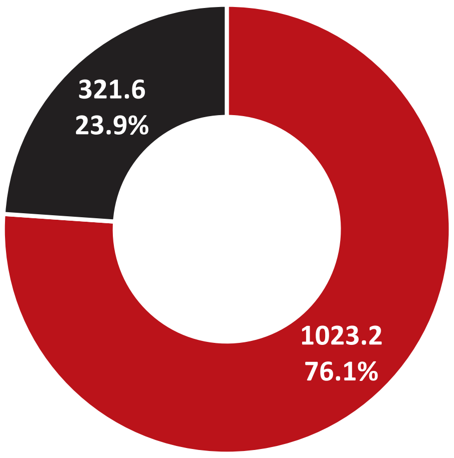
Basket price raking of various produces US$/4Eoz Spot price[1] and Long-term real[2]



POSITIONING THARISA

- Fourth largest South African Chrome Producer
  - 1 344 800 tonnes of chrome per annum
  - Provides China with 10% of all its chrome concentrate
  - One quarter specialty and foundry grade chrome
  - Largest global chemical grade chrome producer
  - Specialty chrome market trades at a premium

CHROME PRODUCTION FY2020 (kt)



- Chrome is what makes ***steel*** stainless
- South Africa hosts 72% of the global chrome reserves
- Assuming a 5% CAGR in stainless steel:

GLOBAL STAINLESS STEEL CAGR
+5.0%

↓

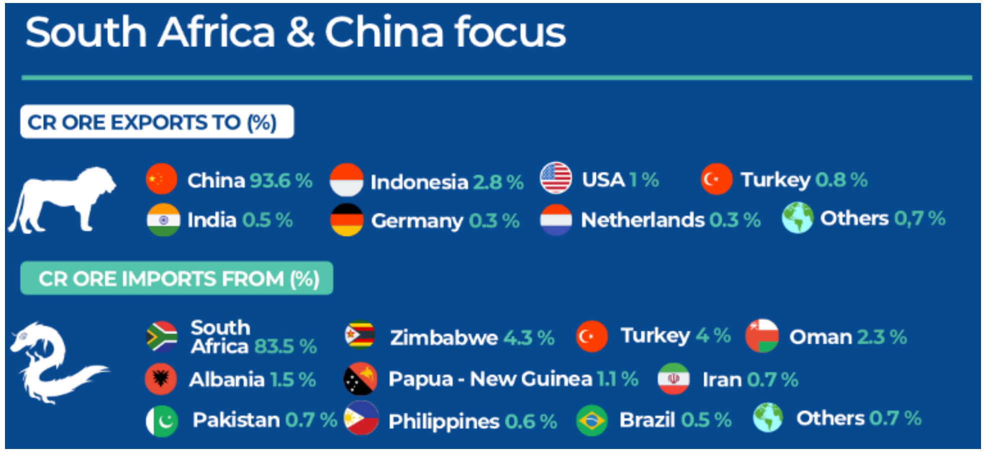
ADDITIONAL STAINLESS STEEL
2.7 Mtpa

↓

ADDITIONAL FERROCHROME
0.7 Mtpa

↓

ADDITIONAL CHROME
1.8 Mtpa = tharisa



FY2020 HIGHLIGHTS

FY2020 CHROME PRICE	FY2020 PGM BASKET PRICE	SPOT CHROME PRICE	SPOT PGM BASKET PRICE
US$140/t	US$1 704/oz	~US$180/t	~US$3 900/oz

REEF MINED

4.97 Mt

up 7.6%

(2019: 4.62 Mt)

PGM PRODUCTION
(5PGE+Au)

142.1 koz

up 1.7%

(2019: 139.7 koz)

CHROME CONCENTRATE PRODUCTION

1.34 Mt

up 3.9%

(2019: 1.29 Mt)

FY2021 GUIDANCE MIDPOINT 160 koz OF PGMs (6E BASIS) AND 1.50 Mt OF CHROME CONCENTRATES

REVENUE

US$406.0 m

up 18.4%

(2019: US$342.9 m)

EBITDA

US$113.4 m

up 119.8%

(2019: US$51.6 m)

EPS

US 16.2 cents

up 305.0%

(2019: US 4.0 cents)

PROPOSED DIVIDEND

US 3.5 cents

up 367.0%

(2019: US 0.75 cents)

RETURN ON INVESTED CAPITAL (ROIC)

18.8%

up 261.5%

(2019: 5.2%)

FY2021 Q1 PRODUCTION

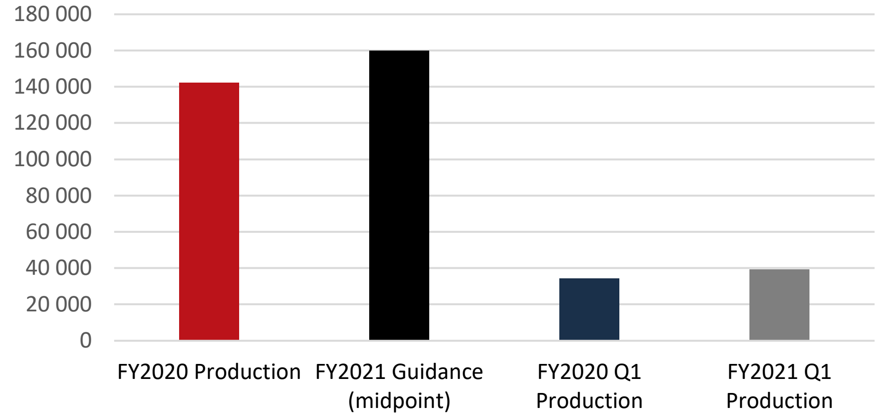
LTIFR 0.08 / 200 000 hours

SPOT CHROME PRICE
~US$ 180/t

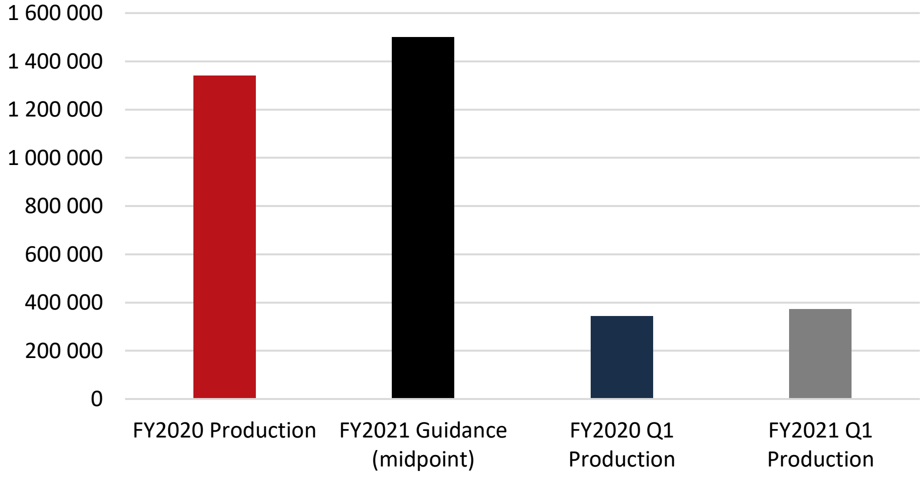
SPOT PGM BASKET PRICE
~US$3 900/oz

- Concluded a four-year Collective Wage Agreement until 30 June 2024
- PGM production up 14.2% YoY
- Chrome concentrate production (excluding third party) up 8.7% YoY
- On track for FY2021 production guidance
- Cash Balance and Debt Position (31/12/2020)
  - Cash of US$49.8 million
  - Total debt of US$45.0 million (30/9/2020 US$69.8m),
  - Positive net cash position of US$4.8 million

PLATINUM (oz)



CHROME (t)



GUIDANCE FOR FY2021 OF 155 koz TO 165 koz OF PGMs (6E BASIS) AND 1.45 Mt TO 1.55 Mt OF CHROME CONCENTRATES

SUSTAINABLE BUSINESS

CO-PRODUCT AND EXCHANGE RATE BENEFITS

Multiple revenue streams coupled with US$ revenues and ZAR costs

HEALTHY CASH GENERATION

Exposure to the right commodities coupled with low operating costs generates strong cash flows

CONTINUED INVESTMENT

Investment in SHE, people, infrastructure and growth projects, Vulcan, Karo

ROBUST BALANCE SHEET

Low gearing

Net cash positive

LIQUIDITY MANAGEMENT

Capital discipline

Consistent dividend payer

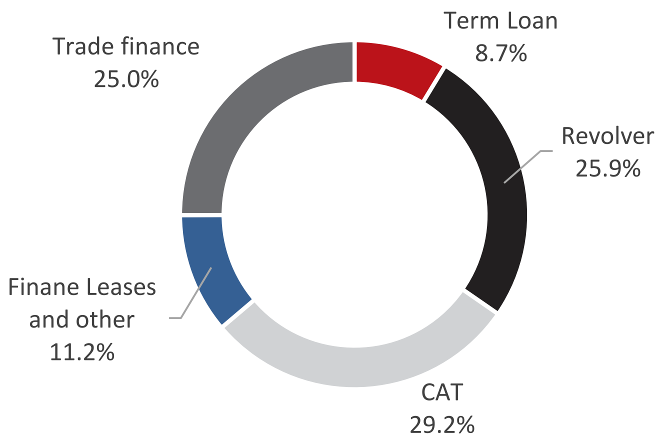
Growing ROIC

BALANCE SHEET AND CAPEX (FY2020)

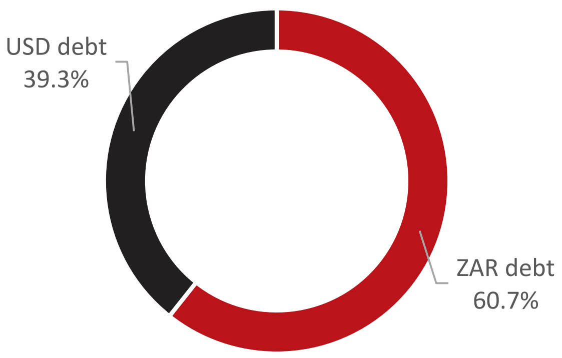
- Total debt of US$70.4 m
  - Trade finance amounted to US$17.3 m
  - Debt to total equity ratio of 21.9%
  - Cash and cash equivalent of US$49.3 m
  - Net debt to total equity ratio of 6.6%
  - Focus on working capital management - current ratio at 1.8 times

- FY2020 Capex US$70.6 m
  - US$24.7 m mining fleet
  - US$22.7 m deferred stripping
  - US$11.4 m related to other mining assets
  - US$11.8 m related to expansion capital
  - Depreciation charge of US$27.9 m
- FY2021 Capex US$54.4 m (excludes FY2021 deferred stripping)
  - Vulcan capex US$46.4 m

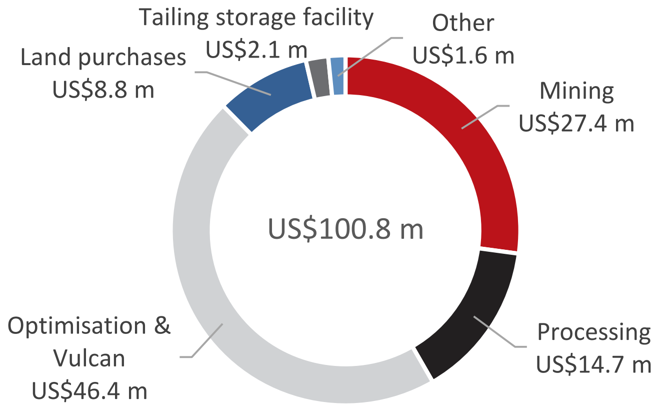
DEBT POSITION WITH TRADE FINANCE



DEBT CURRENCY SPLIT (EXCLUDING TRADE FINANCE)



FY2021 PLANNED CAPEX



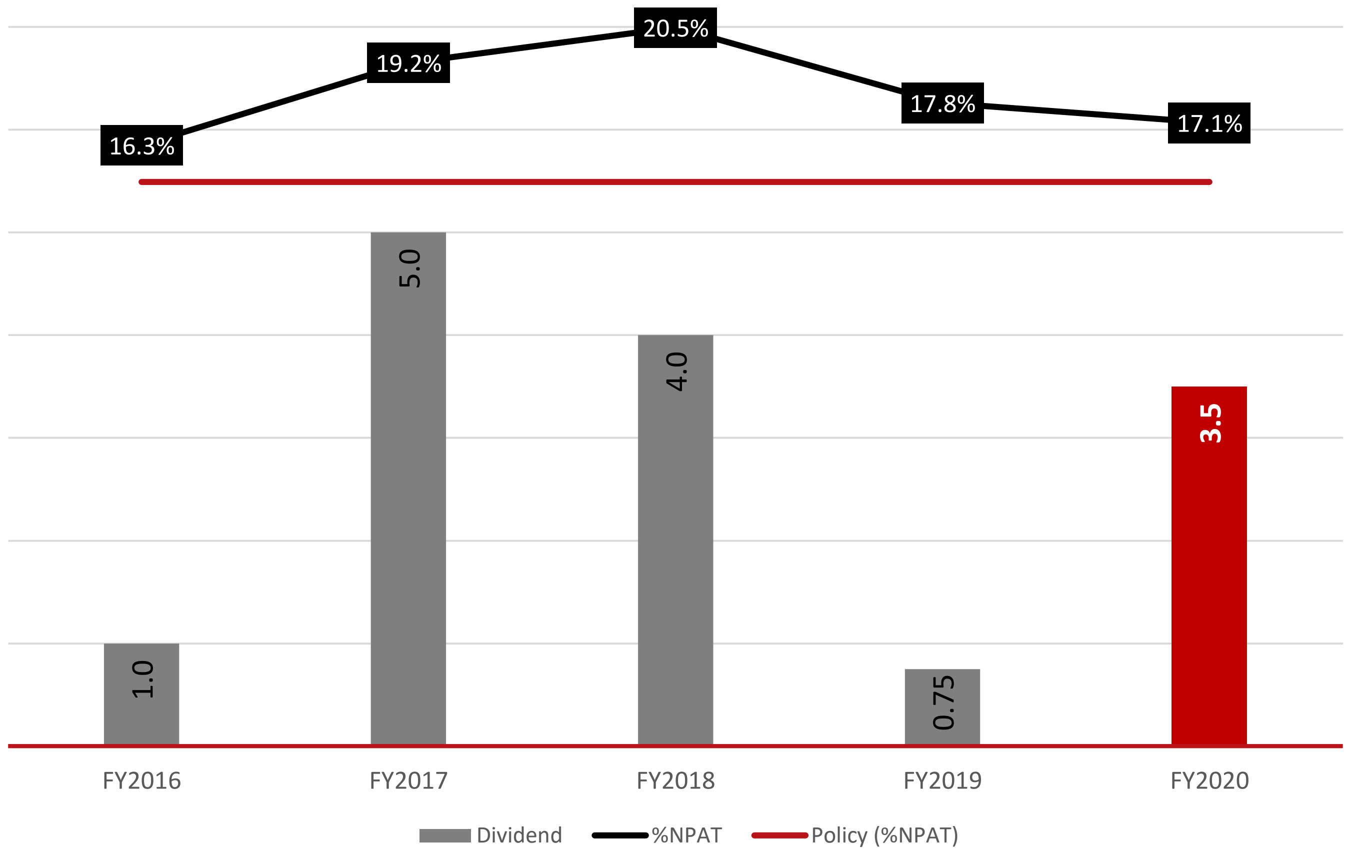
CONTINUED SUSTAINABLE INVESTMENT

COMMITTED TO DIVIDENDS

- Committed to capital discipline
- Dividend of US 3.5 cents per share = 17.1% of NPAT
- Minimum of 15% of annual NPAT
- Capex commitments taken into considerations

CONSISTENT DIVIDEND PAYER

(US$ m)



SUCCESFULLY BALANCING INTERNAL GROWTH AND RETURNING CASH TO SHAREHOLDERS

MORE THAN A RESOURCES COMPANY

SIX PILLAR GROWTH STRATEGY

- Expand and roll out our business sustainably
- Further optimise our existing operations
- Continue to invest in innovative thinking
- Become a global and diversified business
- Be the investment of choice in our chosen sector
- Responsibly enriching the lives of all of our stakeholders

- **Complete organic growth opportunities**
  - LOM extension
  - Vulcan Plant
  - Fulfill 200 000 ounces of PGM production target
- **Consolidate external opportunities**
  - Salene Chrome *(Great Dyke, Zimbabwe)*
  - Salene Manganese *(Northern Cape, South Africa)*
  - Karo Platinum *(Great Dyke, Zimbabwe)*
- **Commercialise downstream opportunities**
  - PGM smelting and refining
  - Stainless steel alloys
  - Battery metal technologies

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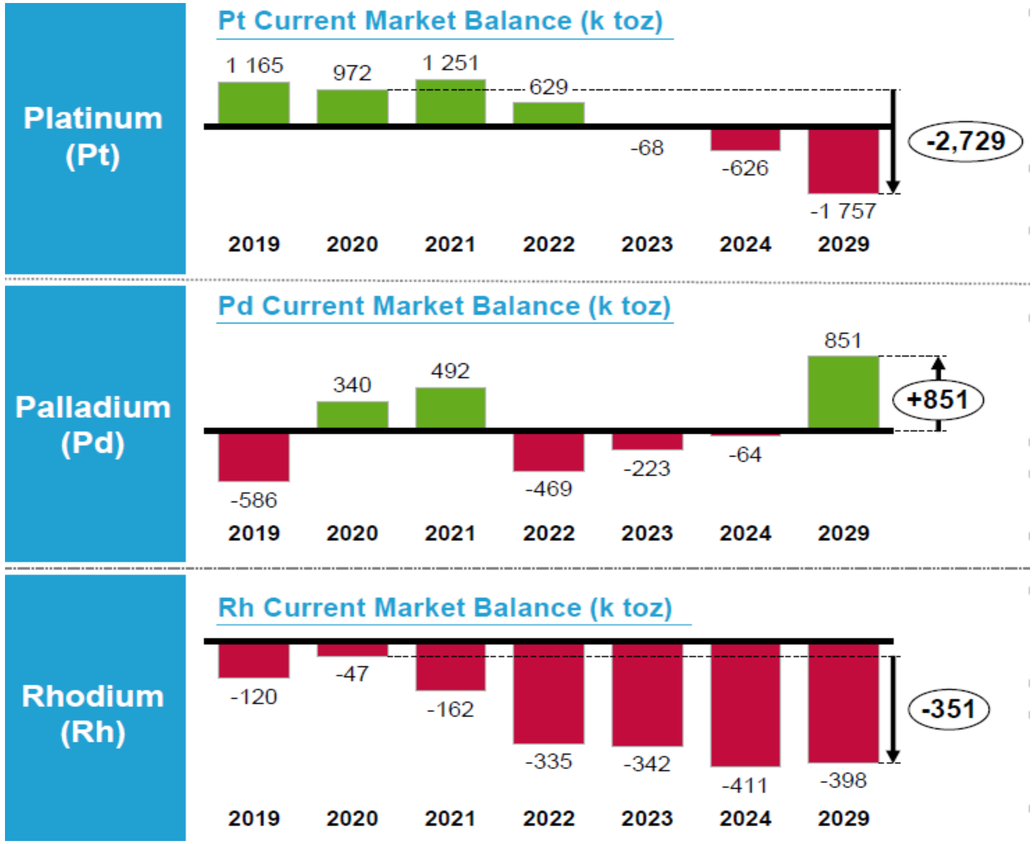
POSITIONING THARISA

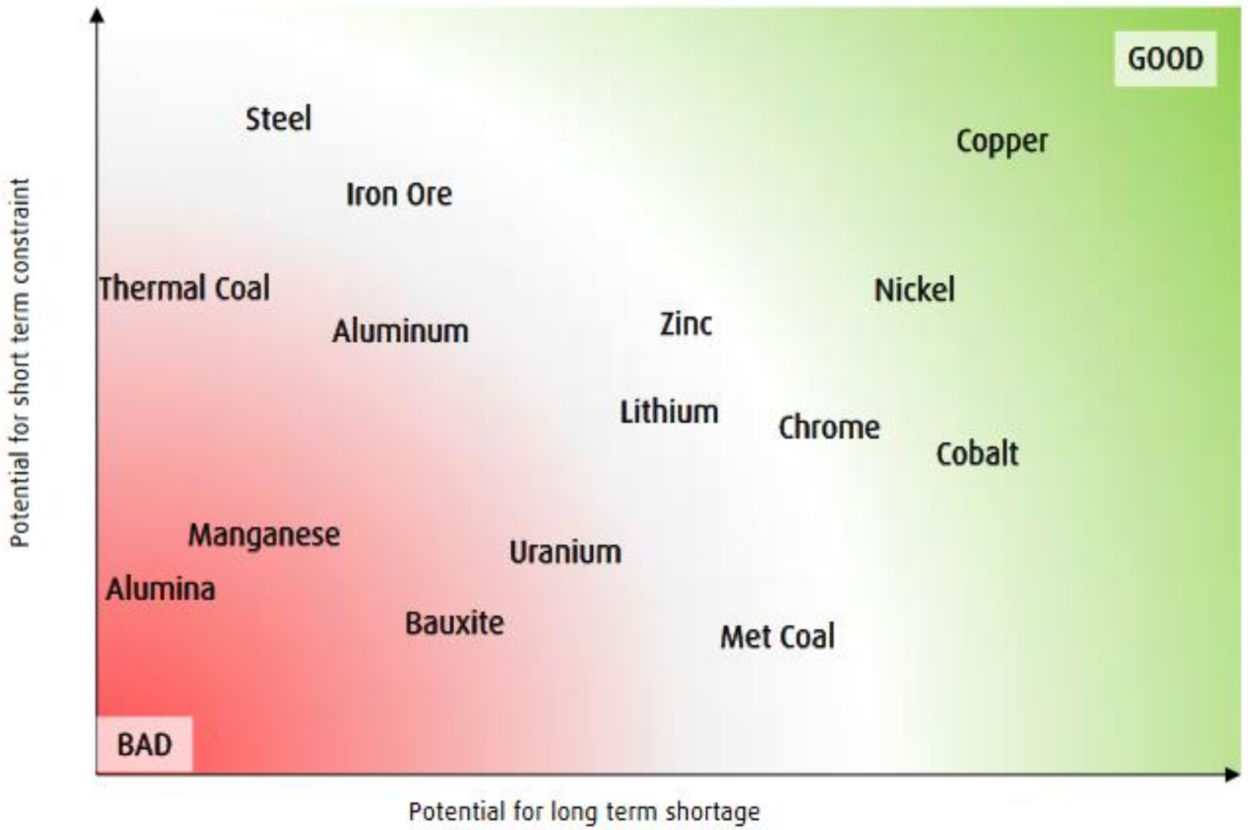
OUR COMMODITIES

– **PGMs**
– Structural deficit driven by supply constraint and real demand
– Timing of new projects
– Pd and Pt substitution increasing, Rh extremely difficult to substitute



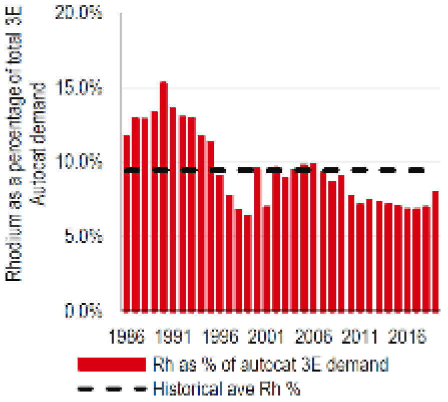
Source: BMO, BASF (excludes investment demand)

– **CHROME**
– Chrome is irreplaceable and makes steel *stainless*
– Concentrated supply with 80% from South Africa
– Demand driven by Chinese internal consumption and export



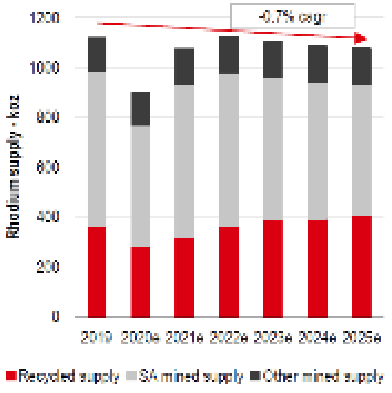
HEADWINDS FROM DEEP MINES TO MEET GROWING RHODIUM DEMAND

Rhodium auto-catalyst demand relative to platinum and palladium at 7.9% is below the historical 9.4%



Source: Johnson Matthey, HSBC estimate (2020)

Overall rhodium supply is expected to decline 4% or -0.7% CAGR over the next 6 years

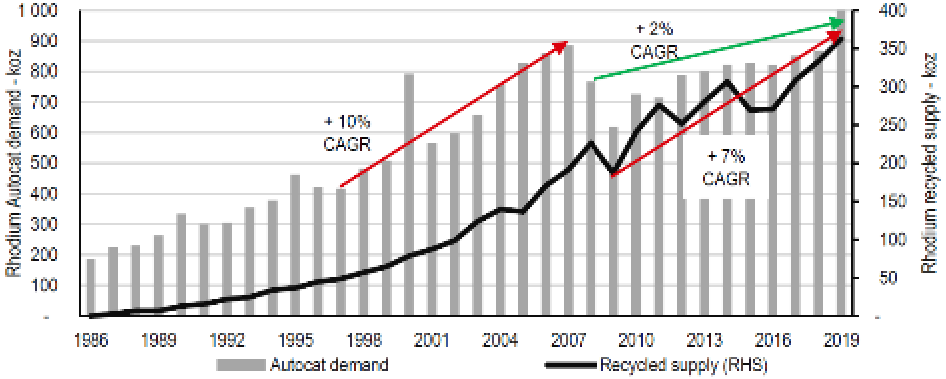


Source: HSBC estimates, Johnson Matthey

PRIMARY DEMAND OUTSTRIPPED BY PRIMARY SUPPLY

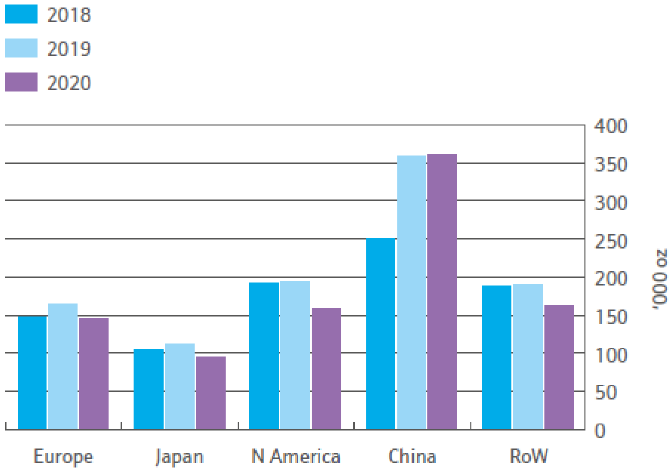
Supply '000 oz	2018	2019	2020
South Africa	618	624	450
Russia	69	68	65
Others	69	68	68
Total primary supply	756	760	583
Demand '000 oz	**2018**	**2019**	**2020**
Autocatalyst	885	1,023	925
Other	158	132	80
Total gross demand	1,043	1,155	1,005
Recycling	-331	-357	-338
Total net demand	712	798	667
Movements in stocks	44	-38	-84

Slower growth in rhodium loadings since 2008 is likely to lead to slower growth in recycled supply over the next 6 years



Source: Johnson Matthey

RHODIUM AUTOCATALYST DEMAND



Source: HSBC, JM

PALLADIUM AND PLATINUM OUTLOOK

PALLADIUM

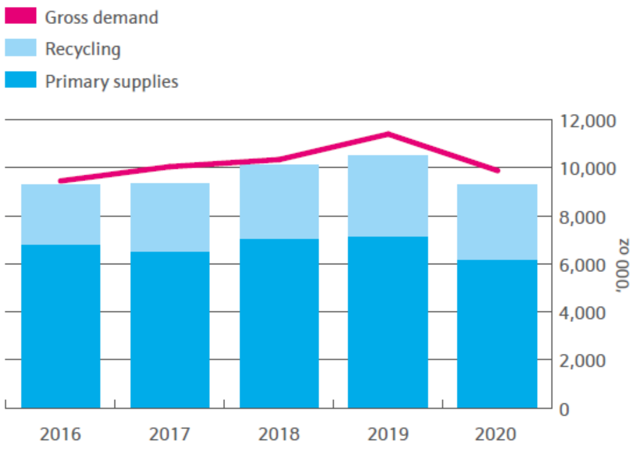
GROSS DEMAND (2020)

Autocatalyst 85.8%

Jewellery 0.9%

Industrial 15.1%

- 2020 net demand 6 773oz
- 2020 primary supply 6 176oz
- Continuing shortages filled by recycling and stocks



PLATINUM

GROSS DEMAND (2020)

Autocatalyst 32.1%

Jewellery 22.5%

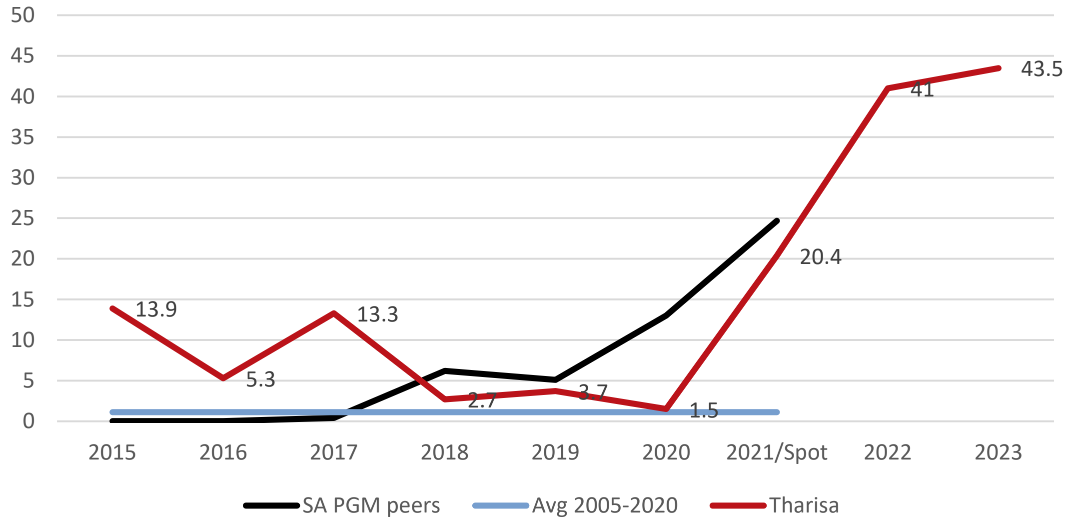
Industrial 31.9%

Investment 13.1%

Source: BMO, Johnson Matthey, WPIC, SFA Oxford

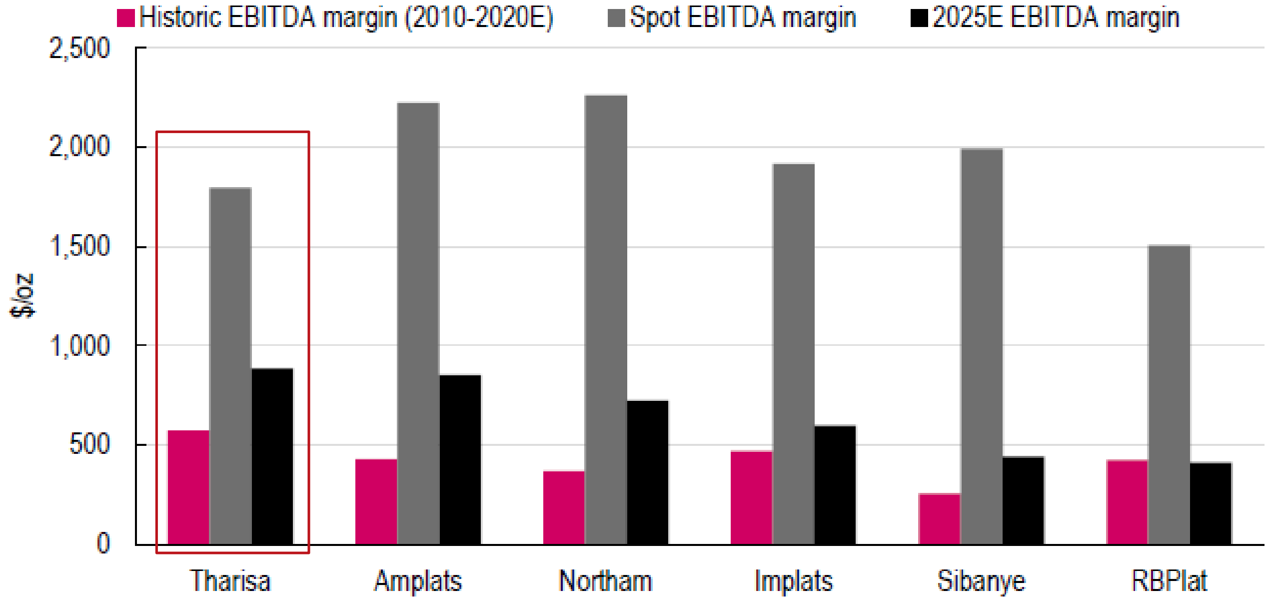
TURNING PRODUCTION INTO CASH FLOW

FREE CASH FLOW YIELD (%)



- Rising exposure to FCF yield over next 3 years

EBITDA MARGIN

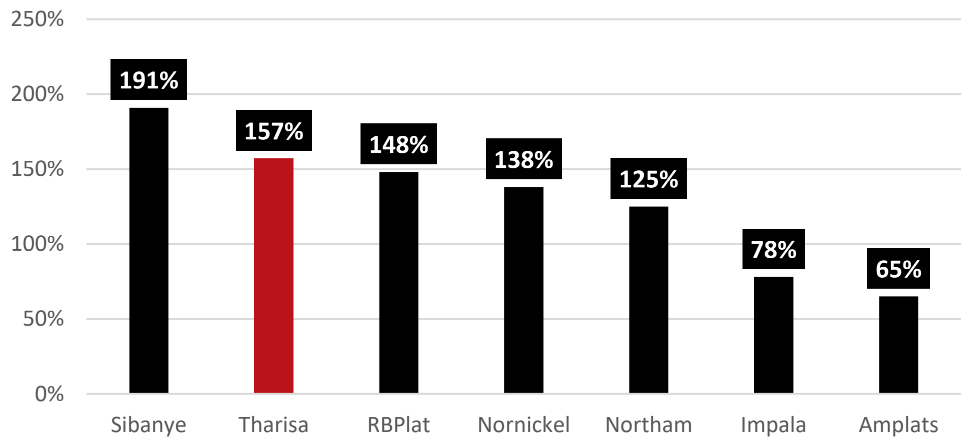


- Strong EBITDA margins throughout the cycle

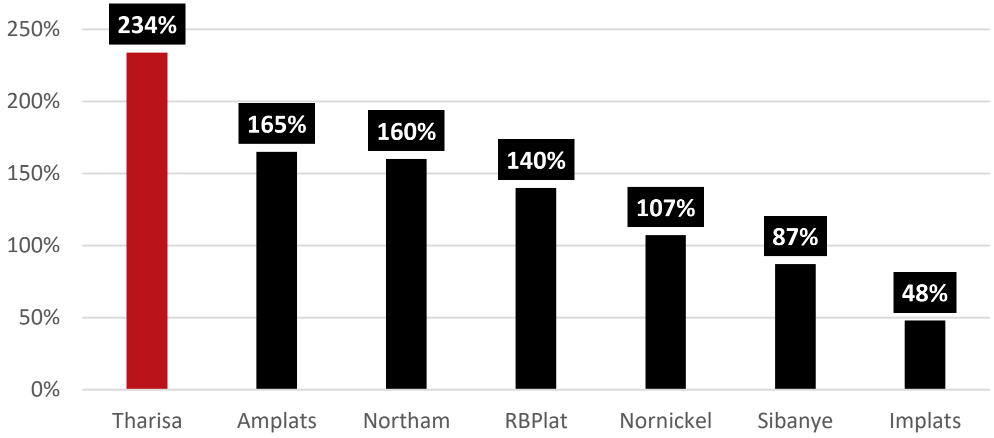
Source: Rencap, historical and forecast

A LOOK AT VALUATION

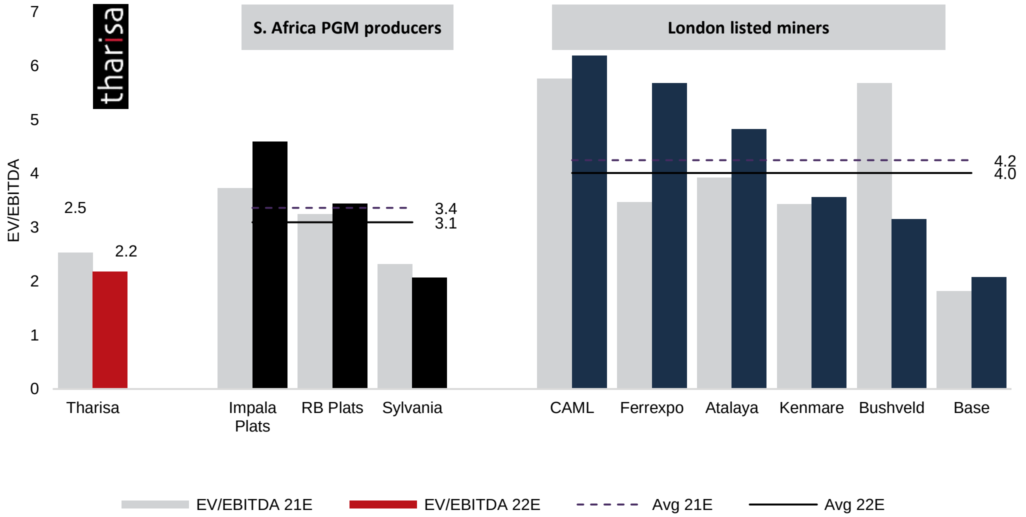
POTENTIAL SHARE PRICE UPSIDE AT SPOT



EARNINGS GROWTH CY20-21E



EV/EBITDA



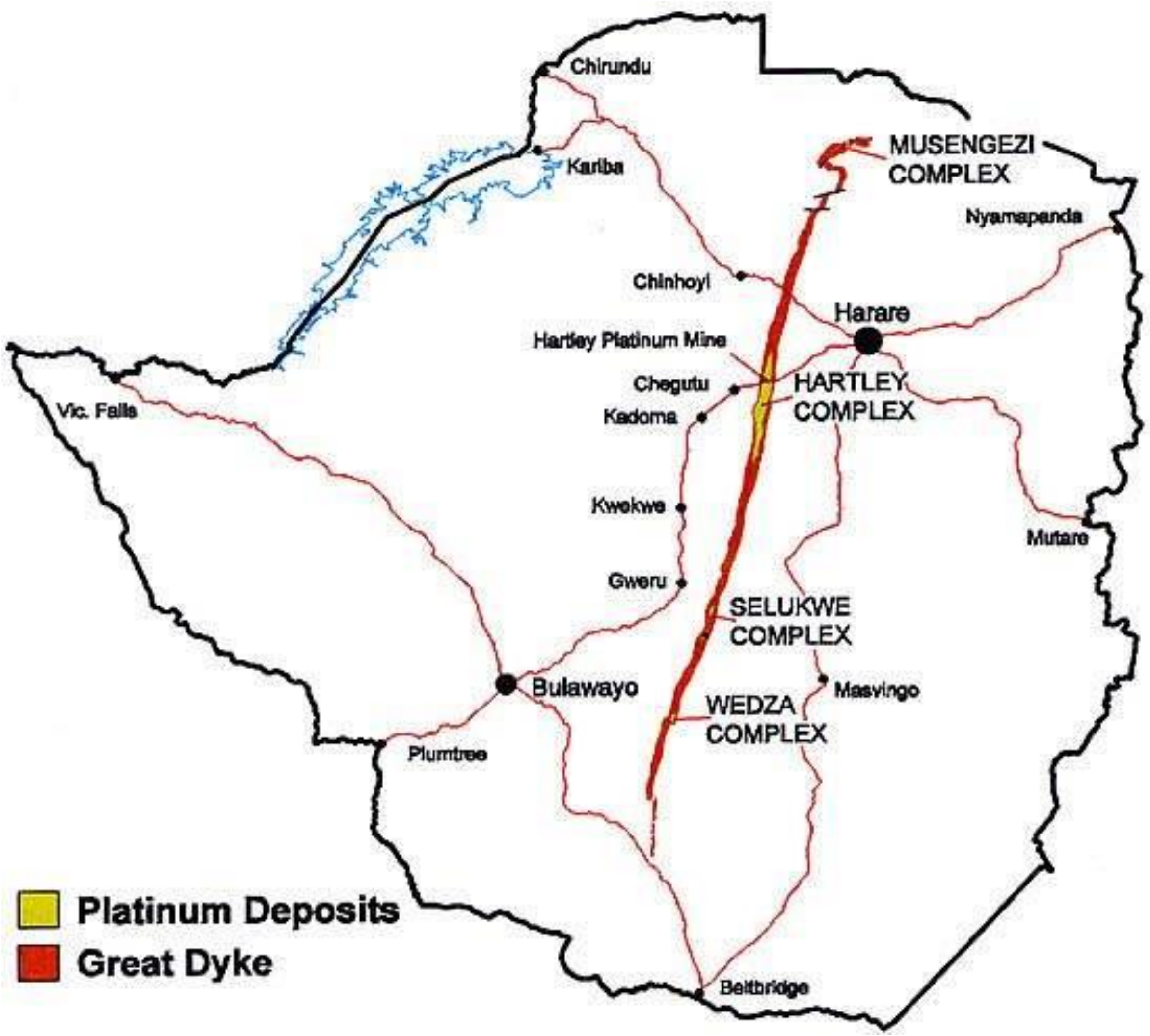
Source: Rencap, PH


C1698
38
C1697
39
C1704
40
C1703
C1702
C1708
C1707
C1706
C1715
C1714
C1713

APPENDIX

KARO AND SALENE CHROME PROJECT OVERVIEW

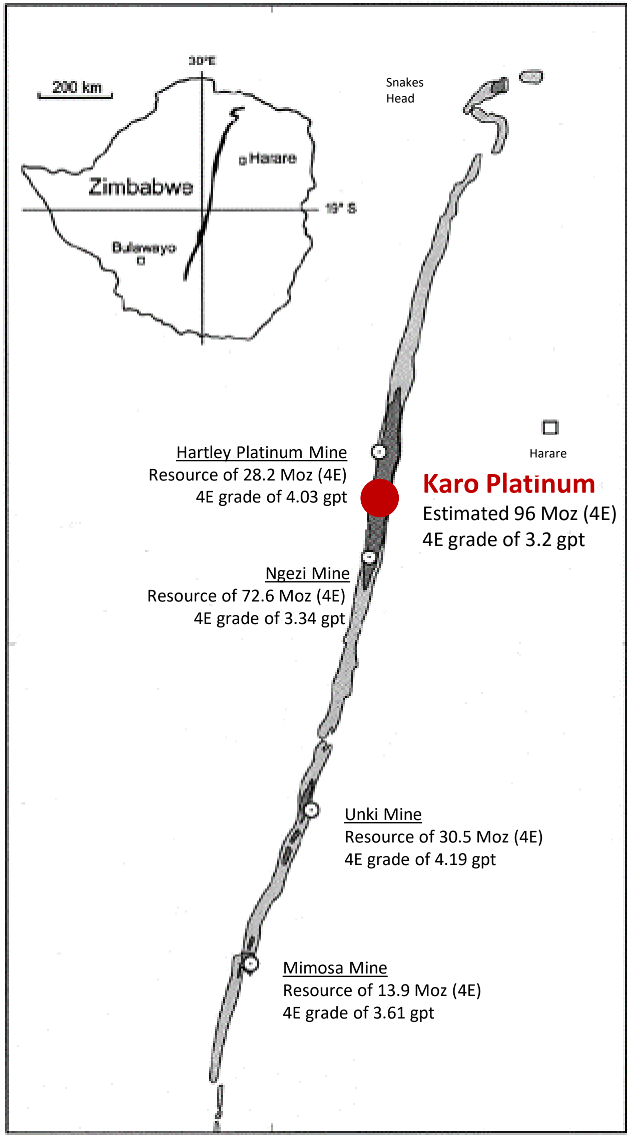
- Great Dyke of Zimbabwe holds the world's second largest deposits of PGMs and chrome
- Over 550km long and up to 11km wide
- Two Mineralised Horizons
  - Main Sulphide Zone ('MSZ')
  - Lower Sulphide Zone ('LSZ')
- Mining operations exploit MSZ while LSZ is largely under explored
- Karo Platinum has been awarded a Special Grant in the Great Dyke in the Mashonaland West District for an area of 23 903 ha
- Salene was awarded three especial grants (numbers 6797, 6798 and 6799) under the Zimbabwe Mines and Minerals Act covering an area of approximately 9 500 hectares (95 km2) on the eastern side of the Great Dyke in Zimbabwe on 15 May 2018.



PROJECTS OVERVIEW

- Tharisa owns 26.8% of Karo Platinum and runs the exploration and development program
- 2 phases of exploration have been completed and studies underway, due for completion end August 2021
- Financing discussions have commenced
- Phased approach to ensure project build and cash flow development
- Special Economic Zones Authority (“Zimseza”) has declared a portion of Selous measuring 50 667 hectares as a special economic zone (“SEZ”)
- The zone is located on certain pieces of land covered by special mining grants issued to a subsidiary of Karo Zimbabwe Holdings (Private) Limited (“Karo Zimbabwe”
- With the declaration of SEZ status, Karo Zimbabwe and its licensed subsidiaries will be entitled to several fiscal incentives
  - including reduced tax rates
  - duty free importation of raw materials and equipment
  - exchange control rulings.
- National Project Status application to be submitted with BFS

- Tharisa has an option for 90% of Salene Chrome
- Trial mining commenced in FY2020 allowing for optimisation studies and project plan to be developed



SALENE MANGANESE

- Tharisa has an option for 70%
- Salene Manganese's principal activity is a manganese and iron exploration and mining company
- The Mining Right is for the mining of manganese and iron ore
- Mine is in operation and produces both manganese and iron ore
- Second phase of resource drilling and declaration underway

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COVID-19 remains a risk to the Company and our forecasts and guidance are premised on the current level of economic activity being permitted by government regulations