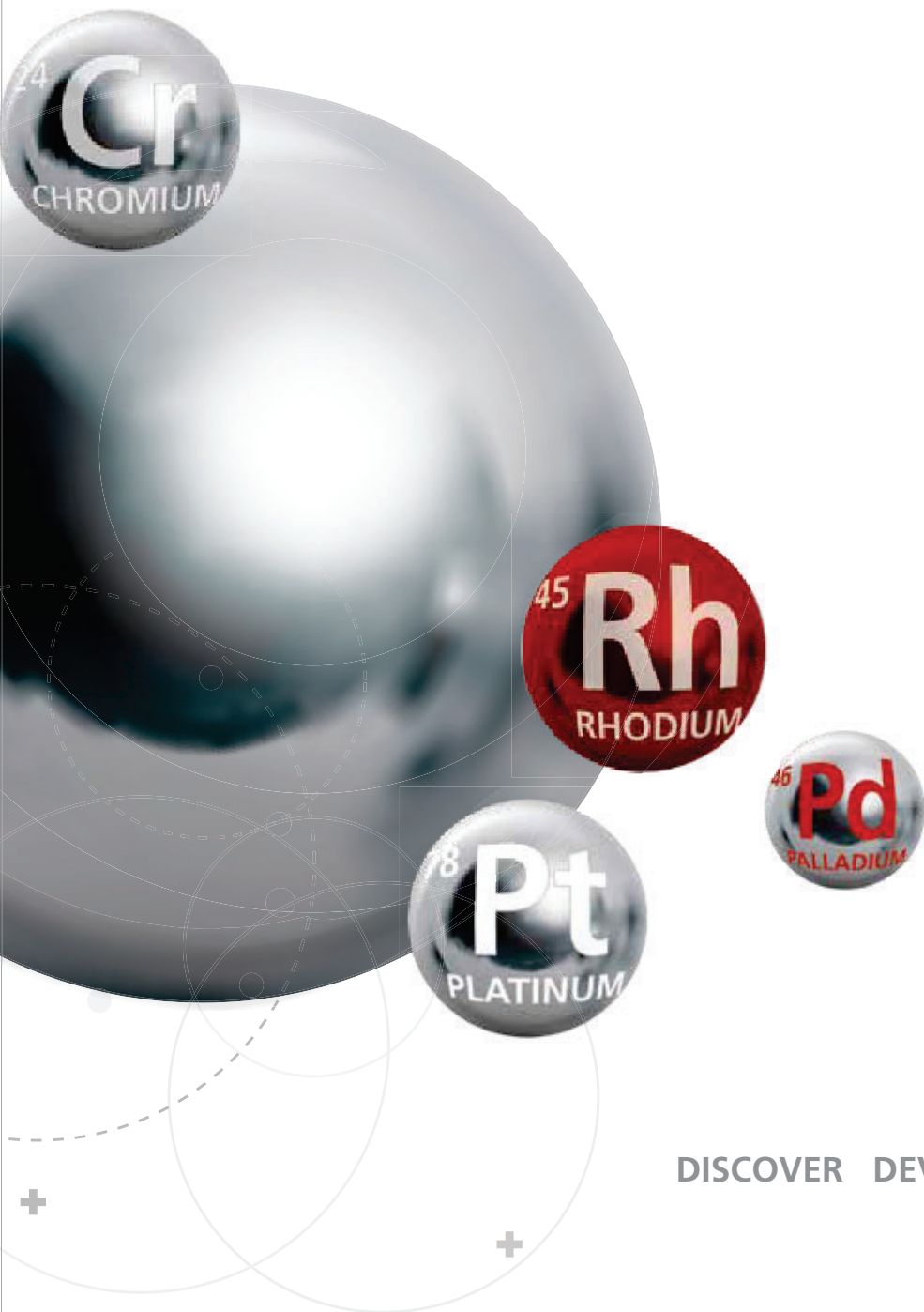


tharisa

Integrated Annual Report **2020**



DISCOVER DEVELOP DELIVER **DIVERSIFY**

INTEGRATED CO-PRODUCER OF PGMs AND CHROME CONCENTRATES

**Enriching lives
through innovating
the resources
company of the
future**

Tharisa is an integrated resource group engaged in exploration, mining, processing and the beneficiation, marketing, sales and logistics of platinum group metals (PGMs) and chrome concentrates.

www.tharisa.com

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GROUP PROFILE

Tharisa is an integrated resource group engaged in exploration, mining, processing, and the beneficiation, marketing, sales and logistics of **platinum group metals (PGMs)** and chrome concentrates. The Group has set a near-term production target of 200 koz of PGMs and 2.0 Mt of chrome concentrates.

Purpose statement

Enriching lives through innovating the resources company of the future.

Strategic initiatives

Leading natural resources group

Globally significant, diversified low-cost operations

Innovation

Innovative research and development feeding organic growth and adding value to our resources

Optimisation initiatives

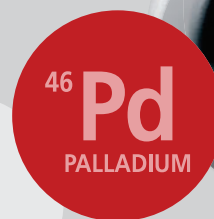
Maximise value extraction through process engineering

Marketing, sales and logistics

Expansion into multi-commodities, building geographic diversity

Capital discipline

Disciplined capital distribution with a dividend policy of distributing at least 15% of net profit after tax (NPAT) and capital allocation to low-risk projects, making us an investment of choice



Values

- 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.
- We strive to achieve superior returns for our shareholders.
- We originate new opportunities and will continue to challenge convention through innovation.



Discover

- **Large-scale resource mining** five MG Chromitite Layers
- **Long-life, low-cost co-producer of PGMs and chrome concentrates**
- Highly prospective **exploration project in Zimbabwe**
- **Complementary opportunities**



Develop

- **Sustainable polymetallic** business model that maximises the value of the commodities we produce
- **Innovative approach** to viable mineral extraction and beneficiation
- **Independent processing** plants providing operational flexibility at the Tharisa Mine



Deliver

- Safe production, **strive for zero harm**
- **Maximise value of the commodities we produce**
- Disciplined capital allocation = **growth + dividends**
- **Cash generative** through commodity cycles



Diversify

- Into a **multi-asset, multi-commodity, multi-jurisdictional** business
- Using **technology** as our catalyst



INVESTMENT CASE

Positioned for value creation

The Tharisa Mine produced 142.1 koz of PGMs and 1.34 Mt of chrome concentrates in FY2020 and has provided FY2021 production guidance of between 155 koz and 165 koz of PGMs (on a 5PGE + Au basis) and 1.45 Mt to 1.55 Mt of chrome concentrates. COVID-19 remains a risk to the Group and our forecasts and guidance are premised on the current level of economic activity being permitted by various governments.

The Group has set a near-term production target of 200 koz of PGMs and 2.0 Mt of chrome concentrates.

- Achieved the safety milestone of **five years fatality free**
- The only **JSE- and LSE-listed co-producer** of PGM and chrome concentrates
- **Successfully navigating** the COVID-19 pandemic and ensuring the sustainable direct employment of over 1 700 people
- **Sixth largest listed** South African PGM producer
- South Africa's **fourth largest chrome** producer and the largest producer from a single resource
- One of the world's **largest producers of specialty grade** chrome concentrates

EXTRACTION AND BENEFICIATION

The Group's key differentiator is its large-scale and open pit resource that allows for the extraction of five MG Chromitite Layers using mechanised mining. The Tharisa Mine, located in the South African Bushveld Complex, the world's largest PGM deposit, also taps into one of the world's largest single chrome resources of 859.5 Mt.

The Tharisa Mine has a 14-year open pit life of mine (LOM) and the ability to extend operations underground by at least 40 years. The open pit is planned with a strike length of 5 km and a high wall height of approximately 200 m.

The mechanised nature of the open pit operation has ensured that the operations remain within the lowest cost quartile of PGM and chrome producers.

Tharisa Minerals has two independent processing plants with a combined 4.8 Mtpa nameplate capacity. The integrated process involves primary extraction of chrome followed by PGM flotation, then secondary chrome extraction from the tailings. The two plants offer operational flexibility, allowing one plant or a portion thereof to be shut down without impacting the entire operation.

MARKETING AND SALES

The majority of PGM concentrate is sold to Impala Platinum under an offtake agreement and to Sibanye-Stillwater.

The Group has a marketing platform for the sale of its metallurgical chrome concentrate to end-users, stainless steel producers and global commodity traders.

Metallurgical chrome concentrate is mainly shipped to China and Indonesia, where it is utilised primarily by the stainless steel industry.

Specialty chrome concentrates, which include chemical and foundry grades, are sold into global diversified markets. Production of specialty grade chrome concentrates made up 23.9% of the year's total own chrome production.

GROUP STRATEGY

Tharisa's core strategy is to generate value by becoming a globally significant low-cost producer of strategic commodities that are required to deliver a sustainable future.

We help to meet global demand for our products using an integrated model for mining, processing, marketing, sales and logistics operations, which we believe adds maximum value to the commodities we mine.

The Group's expansion strategy focuses on diversified growth through value-accretive acquisitions and development of large-scale, low-cost projects that are in, or close to, production.

Our philosophy is to enrich lives responsibly, moving beyond causing zero harm to active healing.

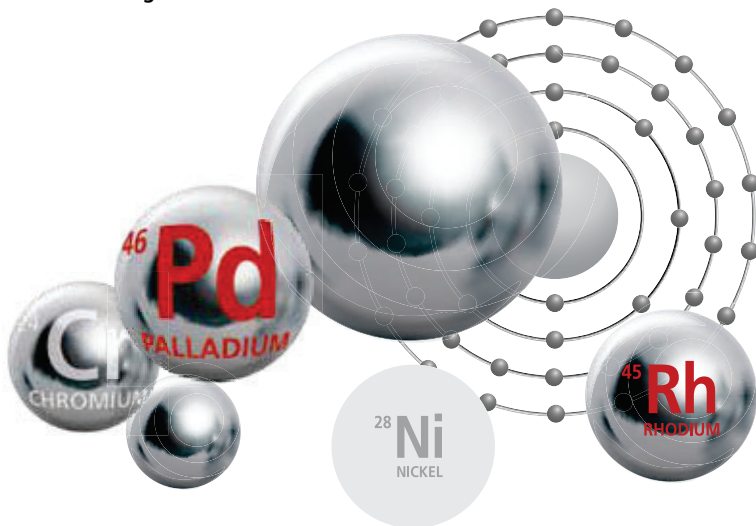


Discover

Tharisa seeks to grow and expand its business by investing in operations or projects that have the potential to add significant value. The Group proactively seeks out investment or acquisition opportunities in strategic commodities, especially those required for the achievement of net-zero carbon emissions, and in countries offering geographic diversity.

The Group gives preference to opportunities to develop large-scale and low-cost projects that are either producing or at an advanced stage of evaluation. The Board, when making investment decisions, factors in climate risk as well as the opportunities that arise from the decarbonisation of energy, to ensure that the Group's business model is sustainable. All opportunities must meet Tharisa's stringent investment criteria, which include generating a minimum return on investment of 25%.

In FY2018, the Group diversified geographically by making low-risk entry options into Karo Holdings, a highly prospective PGM opportunity on the mineral-rich Great Dyke in Zimbabwe.



Develop

The Group has demonstrated that it has the skills to develop a mine from exploration through to steady state operations. Its phased approach to development has derisked current operations, allowing it to look for additional low-cost, large-scale operations. This innovative approach has delivered continuous improvement through increased volumes and metal recoveries at its operations. The Group is examining initiatives to minimise its carbon footprint in order to support the Paris Climate Agreement.

All of this is aligned with the Group's innovative thinking philosophy and agility, making use of technology as our enabler and as our differentiator.



Diversify

Tharisa's strategy is to add development projects to the portfolio that will ensure diversification while maintaining the discipline of being a mechanised, low-cost miner and beneficiary of metals. In FY2018, the Group took its first step towards diversifying geographically into neighbouring Zimbabwe. Karo Holdings is a highly prospective PGM opportunity on the mineral-rich Great Dyke in Zimbabwe. This diversification builds on Tharisa's existing business model with a view to applying our proprietary technology.



Deliver

Tharisa continues to explore ways to expand its marketing and sales capabilities to enable the Group to capture additional margin by leveraging its existing capability, experience and relationships through third-party sales and logistics. Tharisa is able to compete effectively with other commodity traders as a result of its tailored and high-quality service offering, market knowledge and strong customer relationships.



Discipline

With management of costs and improved efficiencies, Tharisa continues to be positioned in the lowest cost quartile for both PGMs and chrome concentrates.

The Group subscribes to a capital allocation framework where potential projects are assessed against stringent investment criteria. The basis for the framework is investment in low-risk entry points and the staged capital investment and development of new projects.

Tharisa is operationally cash flow positive, which has allowed it to maintain its returns to shareholders. The Company has a dividend policy of distributing a minimum of 15% of consolidated net profit after tax. It did not declare an interim dividend during the peak of the COVID-19 pandemic in South Africa, focusing on cash discipline, while the Company has proposed a total dividend of US 3.5 cents per share for FY2020.

TOTAL PROPOSED DIVIDEND FOR THE YEAR

US 3.5

CENTS PER SHARE

+366.7%

COMPETITIVE STRENGTHS

Shallow and large-scale PGM and chrome resource - one of the **world's largest chrome resources from a single pit** - enabling Tharisa to be a large-scale producer for several decades

Mining of **five MG Chromitite Layers** allowing for the **co-production** of PGMs and chrome concentrates

Extensive **research and development** programmes developing new **technologies** and beneficiation capabilities

Independent processing plants providing operational flexibility

Direct relationships with South African and international customers

Exploring large-scale **Karo Platinum** resource
Salene Chrome offers option to rapid path to production

Capacity to produce metallurgical and specialty grade concentrates for **differentiated markets**

Positioned in the **lowest cost quartile** of the PGM and chrome concentrate cost curves, underpinned by low-risk mining and beneficiation processes

Profitable through the commodity cycles

Mechanised operations and skilled labour force

Integrated marketing, sales and logistics platforms

Leverage existing platforms with **third-party** operations and trading

Pioneering **innovative** and unique approach to viable mineral extraction and beneficiation

Replication of phased development in **exploration** projects

Capital discipline with a **dividend policy** of distributing at least 15% of NPAT

Derisked – Major **capex complete**

Optimisation – Extensive industry and management experience with a **successful track record** of identifying, developing and operating open pit and underground mining and processing operations

ESG HIGHLIGHTS

1

Overview

Strategic Review

Operational Review

Sustainability

Mineral Resource and Mineral Reserve Statement

Governance

Financial Review

Shareholder Information

LETTER FROM THE CHAIRMAN OF THE SHE COMMITTEE AND LEAD INDEPENDENT NON-EXECUTIVE DIRECTOR, DAVID SALTER

I may be justified in describing 2020 clichédly as a watershed year but in no way was I prepared to deal with the circumstances that have enveloped our Company for the past year, with no end in sight. But it is also a great pleasure to write this synopsis of our ESG and SHE achievements as I cannot describe in enough words how proud, I, as the Chairman of the SHE Committee, and my fellow directors are of the results Tharisa has delivered in these times. Our commitment to ever increasing our focus on safety, the development of our people and instilling pride in every single employee and ensuring they are #proudlytharisa was evident in the manner in which we all analysed, planned, tackled and thus far, have beaten the odds of the pandemic.

Safety is a core value and we base all our decisions on this. Tharisa has celebrated five fatality-free years and a number of other significant milestones, including four million fatality-free shifts, that are outlined in this report. Our operations are modern, open pit and mechanised. By design they are as safe as possible but we are not complacent. In this regard it was pleasing to see that our in-house audit against the principles of the Global Industry Standard on Tailings Management showed compliance.

We were ultra-cautious in our return to work policy when we got the green light from government to return to production, albeit at reduced levels in early April, following the lockdown in South Africa on 27 March 2020. This return meant operating on a completely new shift system to minimise the number of people on site and the crowds at shift change. Our people took these changes in their stride as did those who were able to work from home connected on our secure networks.

We prepared well, put in place all safety measures and communicated to and with our employees. To date, we have conducted over 10 000 rigorous screenings, conducted over 170 COVID-19 tests, and are fortunate that we have had only 56 positive cases, yet we are saddened by the loss of one of our colleagues. The reality of COVID-19 is evident in his passing, yet we have also bravely shown that we are able to overcome this global pandemic if we work collectively, whilst at the same time maintaining our important work on HIV/AIDS and TB in the workplace.

The commitment and drive shown by management to establish, equip and staff a 125-bed quarantine facility, a 24/7 COVID-19 and Occupational Health Clinic, and a 24/7 COVID-19 Command Centre is simply magnificent.

Our renewed focus is now on ensuring we remain a safe mine as we turn our energy to expanding our operations and developing our new projects. At the same time, we are all too aware of the environmental impact we, as an extractive industry, have, both on our immediate vicinity and as far away as our customers.

Our journey towards a more sustainable future begins with our social licence to operate and Tharisa has demonstrated its commitment to its stakeholders and I believe has demonstrated that it truly has this licence. Our initiatives on people development reach beyond the mine gate and we are proud of having facilitated adult basic education for over 275 people over the last two years. We have had over 58 engineering learnerships and over 40 interns and graduates at Tharisa. We have supported the immediate community through the provision of basic services and are proud of our ability to recruit locally with over 700 members of our workforce being from our community. The more vulnerable members of the community received food parcels during the most severe phase of the pandemic and blankets and clothing were distributed during a particularly cold spell. Sanitisers, face masks, thermometers and educational posters and information packs were supplied to three local schools and social distancing barriers and handrails were installed. The recent community sports day showed that our community is as vibrant as ever despite these trying times.

The past year has also been one when sharp focus has turned to making concrete steps towards mitigation of climate change. Our attention is firmly on this and our next focus will be on the active role we can play in reducing our carbon footprint. Together with our major suppliers, we have initiated programmes to reduce greenhouse gas emissions from our large vehicle fleet. We are also assessing renewable energy opportunities in power generation at our operations. Furthermore, we are directing our research and development budget towards the decarbonisation of energy and the place our produced commodities have in delivering this in line with the 2015 Paris Agreement goals.

Alongside this, our programmes to reduce our water and energy consumption continue.

I would like to thank all our stakeholders for their commitment to making Tharisa the resource company that we can all be proud of and wish them a safe journey into 2021 with us.

David Salter

Highlights

- Total Tharisa operations achieved five years and four million shifts fatality free
- Demonstrated our commitment to the Minerals Council's Khumbul'ekaya "remember home" safety initiative, which aims to ensure that the mining industry becomes fatality free
- Establishment of a COVID-19 Command Centre and appointment of a COVID-19 Officer while building an Occupational Health Centre and quarantine facilities.
- Provided food parcels to over 3 000 families at the height of the infection



SCOPE AND BOUNDARY

Tharisa is pleased to present this, its seventh Integrated Annual Report since listing on the JSE, and the fifth since the standard listing of its depository interests on the LSE. This Integrated Annual Report presents the Group's operations in Cyprus and South Africa, its exploration activities in Zimbabwe, as well as its governance, strategy, risks, opportunities, and prospects. The report covers the financial year from 1 October 2019 to 30 September 2020.

APPROACH

The approach in this Integrated Annual Report is to inform investors and stakeholders of the fundamentals of Tharisa's operating context and business model, risks, and strategic approach to value creation to enable them to make a more informed assessment of Tharisa, its prospects and the sustainable value it creates. The Integrated Annual Report presents a concise view of the Company, its progress and strategy, with readers directed to relevant sections on the Group's website – www.tharisa.com – for additional disclosure. While written primarily to address the interests of providers of capital, this report also addresses matters considered important to a wide range of stakeholders.

FRAMEWORKS

Tharisa applies the principles of King IV to its decision making, strategy formulation and implementation. These principles have also been applied in compiling this report. The Company further adheres to the JSE Listings Requirements and complies with the LSE Listing Rules and Disclosure and Transparency Rules applicable to a standard listing.

Tharisa accepts that integrated reporting is a journey, and in line with its commitment to the principles of integrated reporting, it has expanded on its broader social, environmental and economic performance as far as possible throughout this report. While the Company has been guided by the International Integrated Reporting Committee's Framework, it will only be fully applied to future reports.

In line with these frameworks, recommendations, and what it considers to be best practice, this report contains a number of forward-looking statements. Various factors, conditions and developments beyond the control of the Company and its management may cause the conditions predicted and implied in these forward-looking statements to be materially different to those envisaged at the time of writing. Such variance between expectation and future realities may have a material impact on the Company's future performance and results.

ASSURANCE

The Board acknowledges its responsibility for ensuring the integrity of this Integrated Annual Report. The Audit Committee recommended the 2020 Integrated Annual Report to the Board for approval, which approval the Board consented to give, believing that the report addresses all material issues and gives a balanced and truthful representation of the Company's performance.

The condensed consolidated financial statements on pages 94 to 135 of this Integrated Annual Report and the consolidated annual financial statements on Tharisa's website have been prepared in accordance with IFRS as issued by the International Accounting Standards Board and the Cyprus Companies Law.

A glossary of abbreviations, definitions and technical terms appears from pages 151 to 158.

THE VITAL NUMBERS

	Unit	2020	2019	2018	2017	2016
Reef mined	kt	4 971.1	4 627.1	4 875.0	5 025.1	4 837.2
Stripping ratio	m ³ : m ³	12.1	8.3	7.9	7.5	7.3
Reef milled	kt	5 036.1	4 836.0*	5 105.3	4 916.2	4 656.3
PGM flotation feed	kt	3 765.9	3 605.9	3 718.1	3 599.2	3 575.6
PGM rougher feed grade	g/t	1.46	1.47	1.51	1.56	1.65
PGM recovery	%	80.1	82.1	84.1	79.7	69.9
6E PGMs produced	koz	142.1	139.7	152.2	143.6	132.6
Average PGM contained metal basket price	US\$/oz	1 704	1 081	923	786	736
Average PGM contained metal basket price	ZAR/oz	27 691	15 531	12 038	10 492	10 881
Cr ₂ O ₃ ROM grade	%	18.2	18.1	18.2	17.8	18.0
Chrome recovery	%	62.1	62.0	66.0	64.1	62.7
Chrome yield	%	26.7	26.7	28.4	27.1	26.7
Chrome concentrates produced (excluding third party)	kt	1 344.8	1 290.0	1 448.0	1 331.2	1 243.7
Metallurgical grade	kt	1 023.2	977.9	1 080.3	1 008.1	974.3
Specialty grades	kt	321.6	312.1	367.7	323.1	269.4
Third-party chrome production	kt	169.8	241.1	221.8	20.0	–
Metallurgical grade chrome concentrate contract price	US\$/t CIF China	140	162	186	200	120
Metallurgical grade chrome concentrate contract price	ZAR/t IF China	2 231	2 322	2 415	2 667	1 751
Average exchange rate	ZAR:US\$	16.2	14.4	13.1	13.4	14.8
Group revenue	US\$m	406.0	342.9	406.3	349.4	219.6
Gross profit	US\$m	130.4	60.4	108.5	122.7	54.5
Net profit for the year	US\$m	54.9	8.4	51.0	67.7	15.8
EBITDA	US\$m	113.4	51.6	101.9	115.6	43.0
Headline profit	US\$m	44.9	12.8	49.1	57.8	14.3
Headline earnings per share	US cents	16.9	5	19	22	6
Gross profit margin	%	32.1	17.7	26.7	35.1	24.8
Net cash flow from operating activities	US\$m	73	69.9	89.8	75.7	22.2
Net debt	US\$m	21.1	12.0	10.6	(0.1)	41.4
Capital expenditure	US\$m	70.6	43.9	48.2	26.4	12.3
On-mine lost time injury frequency rate**		0.09	0.27	0.18	0.07	0.36
On-mine employees including contractors		3 082	2 826	2 430	2 256	2 187
Other group employees		48	129	86	75	52

* Includes the processing of 99.0 kt of commissioning tails through the processing plants

** Per 200 000 man hours worked

1

Overview

Strategic
ReviewOperational
Review

Sustainability

Mineral Resource
and Mineral Reserve
Statement

Governance

Financial
ReviewShareholder
Information

FINANCIAL AND NON-FINANCIAL HIGHLIGHTS

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)

REVENUE

US\$406.0 m

up 18.4%
(2019: US\$342.9 m)

OPERATING PROFIT

US\$87.6 m

up 262.0%
(2019: US\$24.2 m)

EBITDA

US\$113.4 m

up 119.8%
(2019: US\$51.6 m)

PROFIT BEFORE TAX

US\$75.8 m

up 576.8%
(2019: US\$11.2 m)

EARNINGS AND HEADLINE
EARNINGS PER SHARE

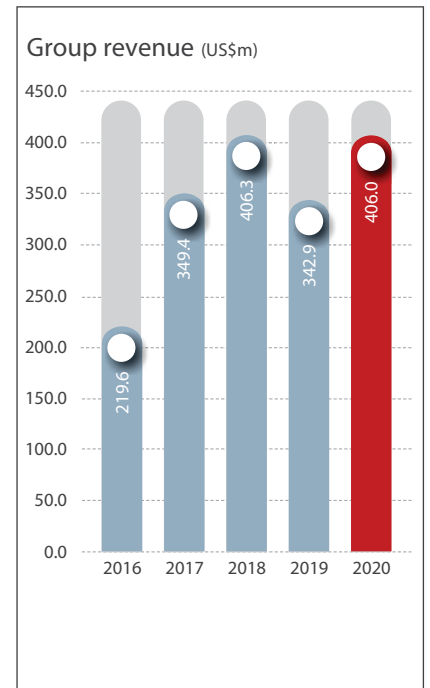
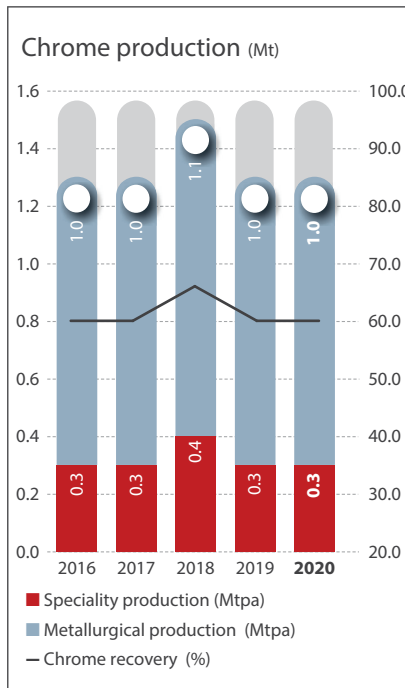
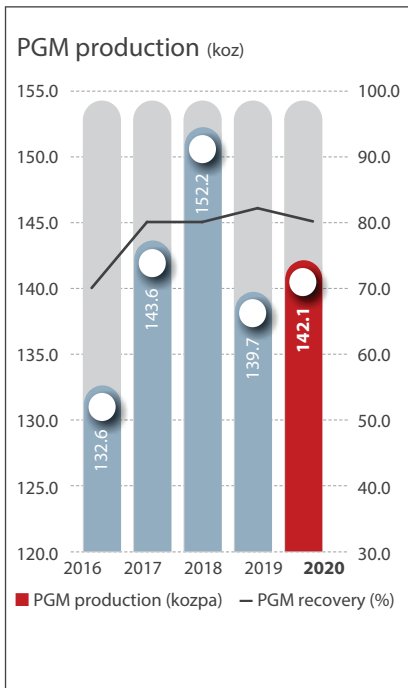
US 16.2/16.9 c

up 305.0/244.9%
(2019: US 4/5 cents)

TOTAL PROPOSED DIVIDEND

US 3.5 cents

up 366.7%
(2019: US 0.75 cents)



NUMBER OF FATALITIES

0

(2019: 0)

NUMBER OF COVID-19 SCREENINGS*

10 724

(*AS AT 1 DECEMBER 2020)

COVID-19 TEST RATE*

10.22%

(*AS AT 1 DECEMBER 2020)

NUMBER OF PERMANENT EMPLOYEES*

1 736

(2019: 1 747)

NUMBER OF CONTRACTORS*

1 346

(2019: 1 079)

FEMALE EMPLOYEES*

22%

(2019: 21%)

TOTAL SPENT ON TRAINING

US\$3.2 m

(2019: US\$3.5 m)

EMPLOYEES AWARDED STUDY ASSISTANCE*

11

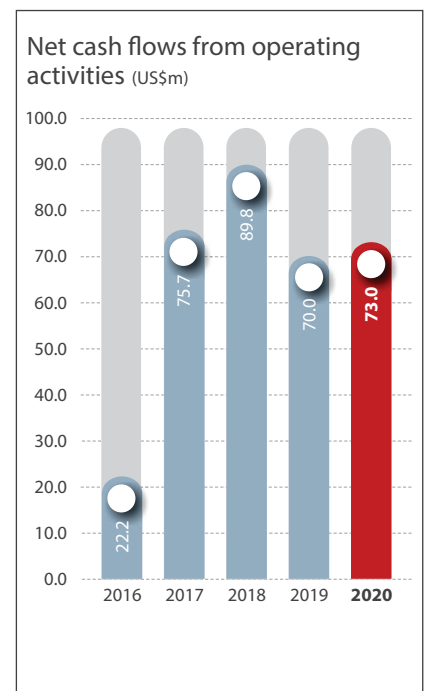
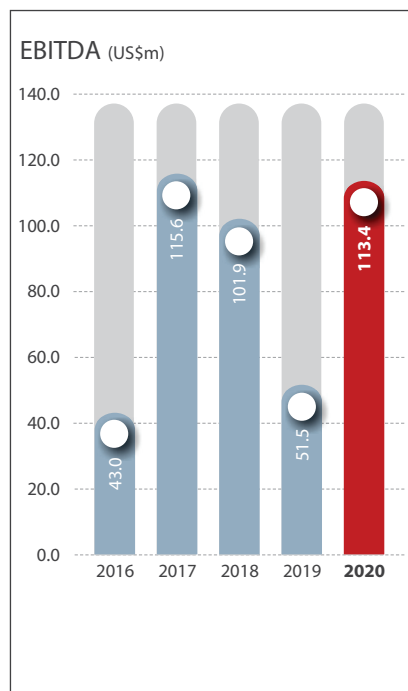
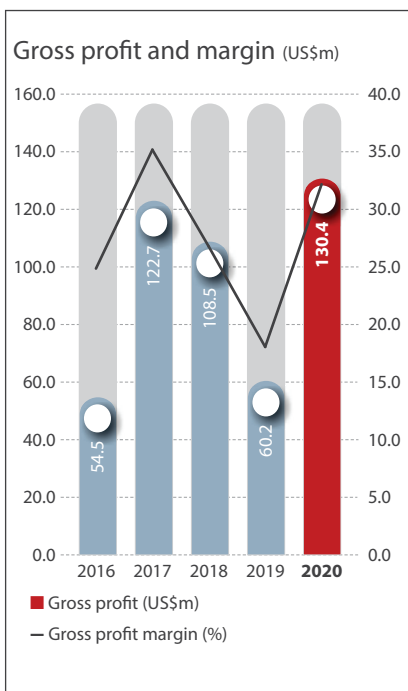
(2019: 20)

INTERNS, GRADUATES AND LEARNERSHIPS*

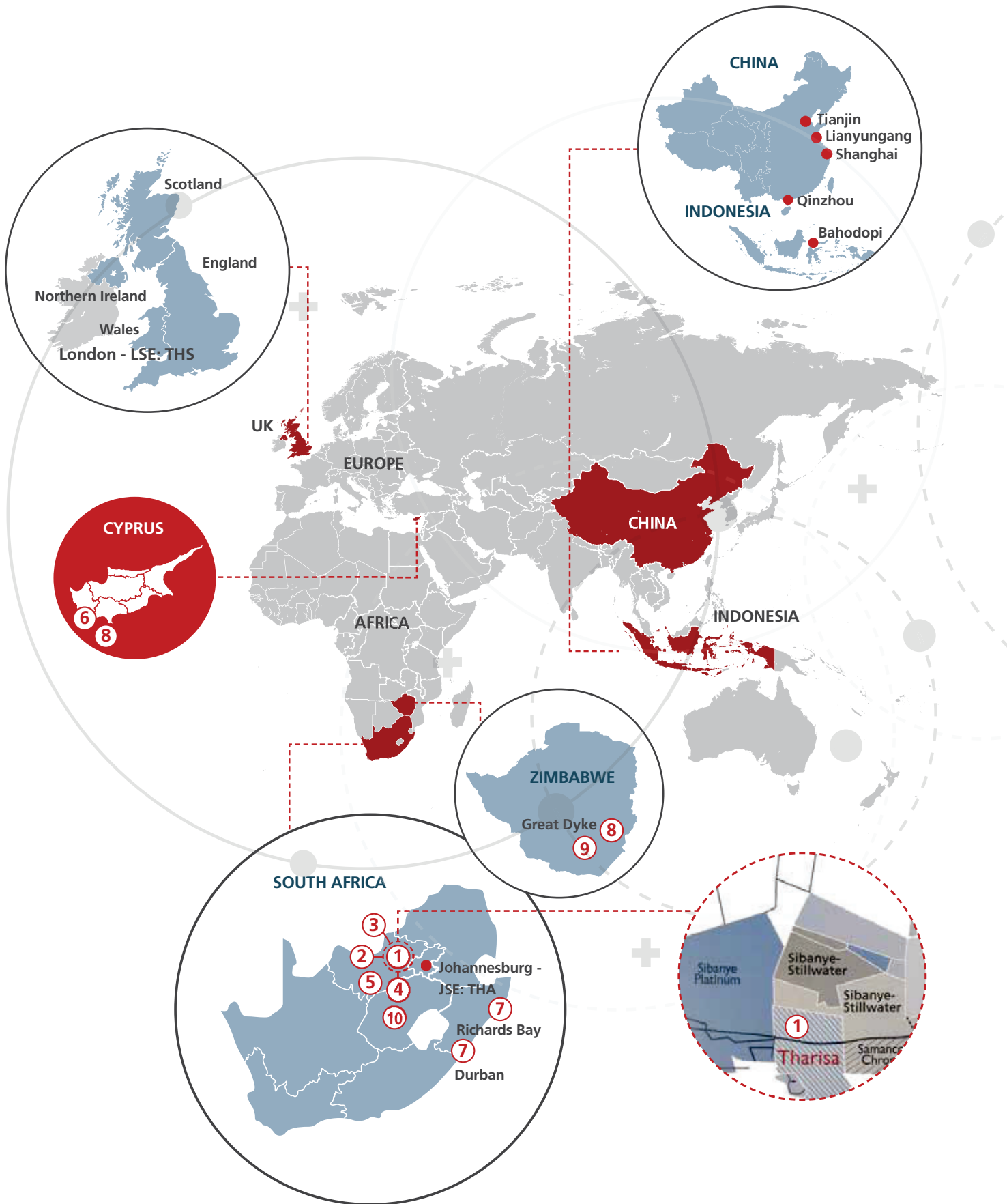
98

(2019: 20)

* Data is applicable to Tharisa Minerals



GROUP STRUCTURE AND OVERVIEW



INVESTMENT HOLDING COMPANY

Tharisa plc (Cyprus)

OPERATING/PRODUCING COMPANIES

Tharisa Minerals (South Africa) 74%

Tharisa Minerals produces PGM concentrate and metallurgical and specialty grade chrome concentrates from a shallow open pit mine near Rustenburg, North West province. The Genesis and Voyager plants have a combined nameplate capacity of 4.8 Mt of ROM ore per annum.

BEE SHAREHOLDERS

2

THARI RESOURCES (South Africa)

20%

3

THE THARISA COMMUNITY TRUST (South Africa)

6%

Arxo Metals (South Africa) 100%

Arxo Metals produces specialised higher margin chemical and foundry grade chrome concentrates, operates Sibanye-Stillwater's K3 UG2 chrome plant in Rustenburg and is the Group's research and development arm. It also commissioned a 1MW DC furnace to produce PGM-rich metal alloys. Arxo Metals conducts extensive research and development into technologies and beneficiation opportunities.

TRADING AND SERVICE PROVIDER COMPANIES

6

Arxo Resources (Cyprus) 100%

Arxo Resources markets and sells metallurgical and chemical grade chrome concentrate to customers primarily in Asia.

MetQ (South Africa) 100%

MetQ manufactures equipment used in the mining industry, with a particular focus on beneficiation.

Arxo Logistics (South Africa) 100%

Arxo Logistics manages the rail and road distribution of PGM concentrate and chrome concentrates produced by the Tharisa Mine, and chrome concentrates from Sibanye-Stillwater's K3 UG2 chrome plant. These products are transported to customers in South Africa and international customers via port facilities in Richards Bay and Durban.

EXPLORATION AND GROWTH PROJECTS

8

Karo Mining Holdings (Cyprus) 26.8%

Karo Holdings is establishing an integrated PGM mining and refining complex in Zimbabwe. Karo Platinum, an indirect subsidiary of Karo Holdings, has been awarded a Special Grant of over 23 903 ha in the Great Dyke to develop a PGM mining complex.

Salene Chrome (Zimbabwe) Option for 90%

Open pit chrome adjacent to the Great Dyke in Zimbabwe.

10

Salene Manganese (South Africa) Option for 70%

Salene Manganese's principal activity is a manganese exploration and mining company. The Mining Right is for the mining of iron ore and manganese ore.

1

4

5

7

9



GROUP HISTORY

2006

February

Prospecting rights granted

March

Tharisa Minerals incorporated

2009

March

Acquired 74% shareholding in Tharisa Minerals

November

Commenced production of first chrome concentrate

2012

February

Secured project finance facility of ZAR1 billion

May

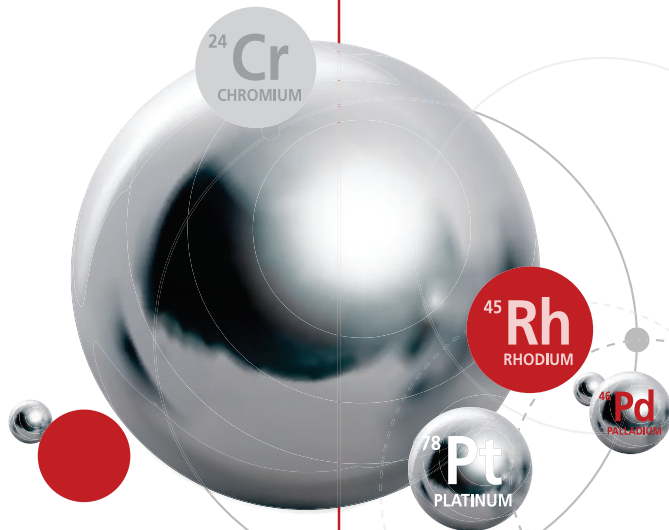
First bulk rail shipment

July

Tharisa Minerals water use licence granted

December

Voyager Plant is commissioned at 300 ktpm capacity



tharisa



2006

2008

2009

2011

2012

2013

2008

February

Tharisa Limited incorporated

September

Mining rights for Tharisa Mine granted

October

Commenced trial mining

December

US\$65 million seed capital raised

2011

January

US\$95 million investment by Fujian Wuhang and HongKong HeYi Mining

April

US\$150 million pre-listing capital raised

August

Genesis Plant is commissioned at 100 ktpm capacity

Tharisa Community Trust registered

November

Tharisa Community Trust receives 6% of Tharisa Minerals donated by Tharisa PLC

2013

July

Challenger Plant is commissioned

2014

April

Listed on JSE, capital raised US\$47.9 million

September

Commissioning of high energy PGM flotation circuit

2017

May

Agreement entered into for the purchase of mining fleet and transfer of employees from mining contractor to owner-operated mining model

August

Entered into strategic cooperation agreement with Tisco for chrome concentrate supply.

Secured first third-party operating and trading agreement

October

Transaction for the acquisition of mining fleet effective

November

Increased dividend declared and an improved dividend policy

2014

2016

2017

2018

2019

2020

DISCOVER DEVELOP DELIVER **DIVERSIFY**

2016

June

Listed on the LSE

November

Maiden distribution to shareholders

2018

March

Maiden interim dividend declared

June

Shareholding acquired in Karo Holdings

September

Record operational year Salene Chrome's shareholder grants call option for 90% shareholding

2019

February

Listed on A2X

August

Approval of Vulcan Plant, a groundbreaking use of existing technologies in fine chrome recovery

September

Achieved three million fatality-free shifts

October

Acquisition of MetQ

2020

March

COVID-19 pandemic

September

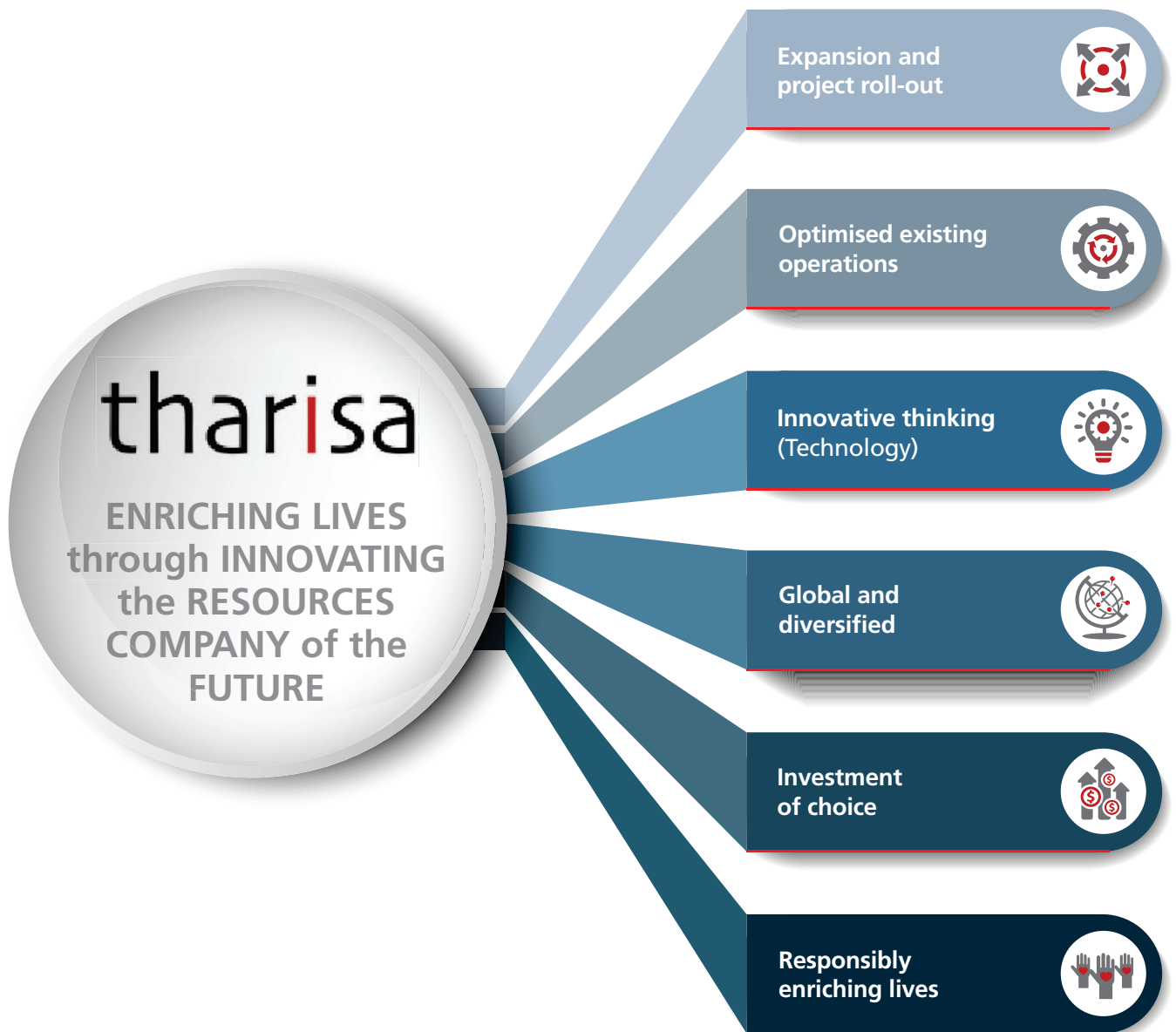
Five years fatality free

October

Vulcan project restart



6 PILLARS DRIVING GROWTH



CHAIRMAN'S REVIEW



Dear Stakeholder

The year under review has seen our Company deliver on almost every operational and financial metric, be that in improvements in operational performance and financial returns, the consolidation of our strategic positions in our long-term growth projects, and our continued progress with our safety record. In any given year, this performance would be highly credible. To achieve such milestones in the face of the largest global health challenge in three generations, COVID-19, is an extraordinary feat, which was enabled by the quality and capability of our people.

Tharisa has a strong track record in balancing the extraction of returns for its stakeholders with care for its employees, local communities and the environment. This year passed will be remembered for the significant examination of our business model in tackling the tumultuous challenge of COVID-19. The effects of COVID-19 will be long lasting and, as the international community struggles to contain and expel the impact of the disease, we at Tharisa will continue to work with the communities with whom we share our operating footprint in Southern Africa, particularly those who have been hardest hit, including one of our highly valued colleagues.

In looking at how our Company performed during this last reporting period in relation to the strategic goals outlined in 2019, the foundation of our business lies in the significant investments we made in the Tharisa Mine. The improvements in the open pit, from the pit redesign and ongoing optimisation, through to the handling of the significant improvement in mining both ore and waste, were further underpinned by the adaptability of our processing solutions in both our Voyager and Genesis plants.

Tharisa's focus on investment in innovative research in maximising recoveries of both PGMs and chrome and continued to make significant progress, even as we mine higher volumes and the planned mining of lower-grade materials during the year under review. Despite the challenges to our complex supply chains, as well as the disruptions to our employees during the second and third quarters in particular, I am delighted as your Chairman to confirm that our business model has not only come through the most thorough of examinations driven by external factors, but has thrived through the extraordinary application of the skillsets from our employees.

Though the Tharisa Mine will continue to be the engine of our short- and medium-term growth plans, our operation in Zimbabwe, a key pillar of our growth, saw the completion of the first phase of drilling and assaying at Karo. Zimbabwe, though impacted by a combination of an acute COVID-19 dislocation

and an equally challenging economic backdrop, is blessed with an extraordinary geological endowment and we have only seen a glimpse of the potential of our assets in the Great Dyke region to date.

The prospect of developing this asset further has been assisted by the awarding of a Special Economic Zone over our land package, which adds more certainty to accessing the required skills and financial capital to build this long-life project. We remain confident that our project in Zimbabwe can make a positive contribution to the local and broader economies similar to the Tharisa Mine, which has created and sustained over 3 000 direct and contractor jobs, with the far-reaching and multiplying impact a project of such a size can bring to local and regional communities.

As you will see in our review of FY2020, we have identified six pillars that we see as the drivers of our growth strategy. These are:

- 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; and
- responsibly enrich the lives of all of our stakeholders.

The future of the Company will be underpinned by the continued growth in production from our South African PGM and chrome platform, which will benefit from the recommencement of construction of the Vulcan Project. Together with our ethos of innovative thinking and incorporating technology into our business even further, we see our ability to diversify operationally and into other commodities as a major step in the growth of Tharisa.

Our strategy to develop our Company into a globally significant, low-cost producer of strategic metals remains firmly on track, underpinned by the progress we continue to make with our existing asset portfolio that continues to generate the returns we need to

invest in the future. As the global economy begins to look beyond the impact of the COVID-19 pandemic, the longer-term challenges of climate change remain at the forefront. Building the solutions for the future, is at the very centre of our ethos. As such, we continue to engage with a number of multinational blue chip organisations that share our vision of sustainability and look forward to announcing progress on these as and when they reach fruition.

Tharisa is today ideally positioned to not only grow its business from the significant asset base it has, but it also has the financial strength of a combination of the generation of free cash flow, a robust and low debt position with its balance sheet, as well as the ability to reward shareholders for their loyalty through the delivery of an industry-leading dividend policy. Growth opportunities will be pursued but not at the risk of destabilising the strong platform we have striven to build over the last five years. We want to be the investment of choice in the sector, but will only be so if we are able to meet the demanding criteria we have set ourselves in protecting our business, as well as seeking growth opportunities, which will benefit all of our stakeholders.

Underpinning these growth pillars is our commitment to enriching the lives of our stakeholders through responsible and sustainable mining. The positive impact we make on our local, national and international stakeholders can only be sustained if Tharisa continues to strive towards both environmental and safety concerns in our approach to delivering on our business model.

I remain excited about the prospects of Tharisa. Having seen its growth since its infancy, I remain as committed as I have always been to the successful development of this business.

Loucas Pouroulis
Executive Chairman

HOW THARISA CREATES VALUE

Business model

INPUTS



People

- Skilled workforce
- Experienced entrepreneurial leadership
- Human resource development
- Fully committed to zero-harm culture



Assets and infrastructure

- Mining and exploration rights
- Significant resource
- Long-term open pit life of mine
- Processing plants
- Regulatory compliance
- Access to road and rail networks
- Access to port facilities



Financial

- Operationally cash flow positive
- Capital expenditure – stay-in-business capex and optimisation projects
- Access to capital
- JSE and LSE listing – capital markets



Innovation

- Optimisation – mining and processing
- Research and development
 - New technology
 - Development of niche products
 - Piloting PGM-rich alloy smelting and refining technology



Stakeholders

- Employees
- Shareholders
- Communities
- Customers
- Suppliers
- Government
- Municipalities
- Regulators



Environment

- Resource management i.e. energy use and water availability
- Land management, including biodiversity conservation, rehabilitation and closure planning
- Environmental compliance
- Managing and minimising waste streams

Tharisa's vision is to be a leading natural resources company, generating value by being a globally significant low-cost producer of diversified strategic commodities.

The Group is engaged in exploration, mining, processing, beneficiation, marketing, sales, and logistics. Tharisa Minerals is a low-cost producer of PGMs and chrome concentrates, resulting in two distinct revenue streams from a single resource with costs shared between the commodities.

The Group continues to explore beneficiation opportunities through innovation and technology.

WHAT WE DO

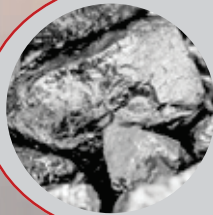
1



Mineral extraction

- Mining of five MG Chromitite Layers
- Owner mining model
- Exploration for the future

2



Beneficiation

- Producing PGMs and chrome concentrates, including metallurgical grade
- Specialty grade

3



Research and development

- Improving recoveries
- 1 MW DC furnace to produce PGM-rich alloys
- Development of Vulcan process

4



Marketing and sales

- Sales of PGM concentrate
- Marketing and sales of chrome concentrates to customers globally
- Agency agreement to third-party businesses

5



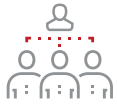
Logistics

- Road transport of PGM concentrate
- Road and rail transport of chrome concentrates to port
- Shipment of product to customers

WHAT WE DO

HOW THARISA CREATES VALUE CONTINUED

OUTCOMES



People

- Employment: **more than 700 people from local community**
- **A total of 98 interns, graduates and learnerships**
- Skills development: **US\$0.4 million spent on training**
- Low LTIFR: **0.09 per 200 000 man hours worked**
- **Five years** fatality free



Assets and infrastructure

- Production of saleable product: **5.0 Mt reef milled with 142.1 koz PGMs and 1.34 Mt chrome concentrates produced**
- Depletion of resources: **4.9 Mt reef mined**
- **Responsible management and efficient use of our assets**



Financial

- Operating profit: **US\$87.6 million**
- Cash generated from operations: **US\$73.0 million**
- Social upliftment **Delivery of over 3 000 food parcels to families**
- Direct and indirect taxes and royalties: **US\$51.9 million**
- Total dividend: **US 3.5 cents per share**



Innovation

- Process **improvements**
- Operates across the value chain – **from mine to end customer**
- Large-scale open pit resource for **extraction of five MG Chromitite Layers**



Stakeholders

- Total **salary cost: US\$56.6 million**
- Shareholder returns (HEPS): **US 16.9 cents per share**
- Community upliftment: **US\$0.4 million spent on education**
- Customers – **quality of products, consistent deliveries**



Environment

- Total energy consumption: **185 807 MWh**
- Cumulative rehabilitation provision: **US\$17.1 million**
- Total water consumption: **1 290 346 m³**
- Total CO₂ emissions (Scope 3): **2 285 059 tCO₂e**

Tharisa Minerals

Resource

- 859.58 Mt resources at 1.47 g/t 5PGE + 20.01% Cr₂O₃

Mining

- 14-year open pit LOM
- 40-year underground extension
- Mined 4.9 Mt of ROM reef

Processing

- Milled 5.0 Mt of ROM
- Production of 142.1 koz of PGMs
- 1.34 Mt of chrome concentrates

Large scale

- One of the world's largest single chrome resources

Mechanised

- Mechanised open pit mining with a skilled labour force

Derisked

- In production
- Major capex complete

THARISA MINERALS

ARXO METALS

ARXO RESOURCES

ARXO LOGISTICS

METQ

CUSTOMERS

KARO MINING HOLDINGS

SALENE CHROME

SALENE MANGANESE

OUR FULL VALUE CHAIN

Arxo Metals

Beneficiation

- Production of specialty grade chrome concentrates

Research & Development

- New technologies
- Development of niche products
- Piloting PGM-rich alloy technology with 1 MW DC smelter

Third party

- Improving quality of K3 UG2 chrome plant production

Arxo Resources

Marketing and sales

- Significant trader of chrome concentrates
- Global reach for specialty chrome concentrates
- Third-party trading

Arxo Logistics

Logistics

- Road transport of PGMs
- Road/rail transport, warehouse and port facilities for bulk chrome concentrates

MetQ

Manufacturing

- Equipment used in the mining industry, with a particular focus on beneficiation
- Based in Pretoria

Customers

- PGM off-take agreement – Impala Platinum and Sibanye-Stillwater
- Specialty chrome off-take/joint marketing agreement
- Metallurgical chrome agency agreement – Noble Group
- Strategic volume off-take chrome agreement – Tisco
- Relationships with stainless steel and ferrochrome producers and global commodity traders

Karo Mining Holdings

- Development of highly prospective integrated PGM mining complex
- Replication of phased development and innovative approach

Salene Chrome

- Potential quick-to-market chrome business expansion
- Addition of higher grade chrome concentrate to the Tharisa basket of chrome products

Salene Manganese

- Salene Manganese's principal activity is a manganese exploration and mining company.
- The mining right is for the mining of iron ore and manganese ore.

CHIEF EXECUTIVE OFFICER'S REVIEW



The year under review saw Tharisa's robust business model tested by the consequences of the global coronavirus pandemic, COVID-19. Our focus on safety above all, and the benefits of the co-product strategy, has seen our Company pass with flying colours, as well as consolidate the foundation for years of further growth.

We firmly believe that technology and technological innovation are major enablers of our success.

It is with pride that our LTIFR rate showed 0.09 per 200 000 man hours worked at the end of September 2020, being one of the best safety records in the South African mining industry.

Safety is a core value and Tharisa continues to strive for zero harm at its operations. The Company achieved a number of safety milestones throughout the year:

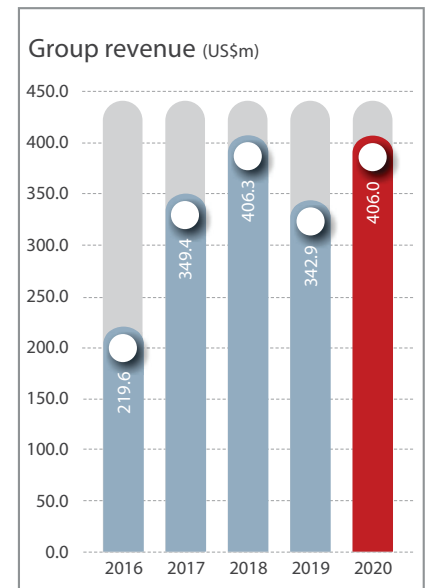
- 28 September 2020 – five years fatality free
- 16 September 2020 – 365 days LTI-free for the mining production team
- 30 July 2020 – Genesis Plant achieved 365 LTI-free days
- 19 June 2020 - Tharisa Mine achieved 4 million fatality-free shifts
- 5 March 2020 – five years LTI-free for the Tharisa Mine laboratory and R&D

Beyond delivering on the operational and financial metrics, Tharisa should be measured on its ability to grow sustainably from the asset base we have developed over the past decade, through the development of our pipeline for the future benefit of all our stakeholders. It is therefore extremely rewarding to inform you that Tharisa is firmly on that path for long-term sustainable growth.

The engine of our business is the Tharisa open-pit mine in the Bushveld Complex in South Africa. It is one of the few mines that co-produces both PGMs and chrome concentrates commercially from the same

ore body. The mine has benefited from the remedial action taken in 2018 and 2019 with the optimisation of the pit layout, improved waste stripping, and the substantial further investment in our mining fleet, coupled with the continuous optimisation of the production plants. These actions have positioned Tharisa to benefit from an increasing PGM basket price contributing to the revenue increase of 18.4% to US\$406.0 million and EBITDA rising by 119.8% to US\$113.4 million, equating to earnings per share of US 16.2 cents, up 305%. Tharisa generated net cash from operating activities of US\$73.0 million (2019: US\$69.9 million). Taking into account the disruption of the COVID-19 pandemic, which saw South Africa implement one of the harshest national lockdowns not only in Africa but globally, Tharisa delivered

record production across several months during the financial year, underscoring the health of the business in the face of unparalleled uncertainty.



**EARNINGS
PER SHARE (US\$)**

**US 16.2
CENTS**

+305.0%

REVENUE (US\$)

US406.0 m

+18.4%

Tharisa has benefited from the increase in its PGM basket price, supported by demand fundamentals, which increased to US\$1 704/oz (2019: US\$1 081/oz). Tharisa's production of PGMs saw an improvement to the previous year, with 142.1 koz versus 139.7 koz. Of this production, rhodium comprised 13.5 koz and, with the relatively higher rhodium content within our prill split, resulted in a meaningful contribution to the revenue line with the metal trading at an average price of US\$8 348/oz for the year. Driven by growing demand and an increasing deficit, current rhodium spot prices are trading at above US\$16 000/oz.

Notwithstanding growth in the stainless steel industry, which is reliant on chrome as an input, metallurgical grade chrome concentrate prices reduced from an average of US\$162/t to US\$140/t, down 13.6%. Tharisa is a key producer in the global and diversified market of specialty grade chrome concentrates and cash flows benefited from a 3.0% increase in production of 321.6 kt of higher margin specialty grade chrome versus 312.1 kt the previous year, out of our total production of 1.34 Mt of chrome concentrate, up 4.2% from 1.29 Mt.

The commodities that we mine have excellent fundamentals and we believe the pricing of these will remain favourable for some time to come. Driven by the demand for PGMs, which remain largely unsubstitutable, as emission controls continue to tighten for the internal combustion engine and the rapid development of the hydrogen economy.

This means PGM demand fundamentals will continue to support the pricing environment and in turn benefit Tharisa for years to come.

With a stainless steel industry that has seen sustained growth even in 2020, chrome remains in demand with forecast growth for stainless steel of 5% CAGR in 2021. Tharisa continues to be a significant supplier to the Asian economies of chrome concentrate. With approximately one-third of our output in specialty products, we continue to benefit from other markets beyond the stainless steel market and remain one of the largest suppliers of chemical grade chrome to the world's chemical industries.

In October 2020, we announced the re-start of the Vulcan Plant construction, which, using proprietary groundbreaking existing technologies developed by our wholly owned subsidiary, Arxo Metals, will process the chrome fines from the Voyager and Genesis plants, boosting our production by some 25% of chrome concentrates per annum. This project should achieve project completion within FY2021 with the benefits being derived in the following year.

As with any business, we continue to face headwinds. Of concern is the South African government's recent proposal to impose an export tax on chrome ores in an effort to support the ailing ferrochrome industry. It remains unclear how, when or if the tax will be administered. A detailed third-party analysis has shown that any potential

benefits, which rely on a multitude of factors occurring in parallel, are far outweighed by the harm the primary and non-integrated chrome industry will suffer. This proposed tax will not provide lasting or coherent support to the ferrochrome industry and the only sustainable and viable aid to this downstream industry is subsidised electricity pricing. As Tharisa, like other members of ChromeSA, we are opposed to any export tax or intervention that may prejudice our business and as such we have a duty of care to protect and defend our position and indeed our stakeholders' interests.

At the Karo operation in Zimbabwe, we have commenced the second phase of drilling, which is progressing well. The original timelines for the Karo Project have been negatively impacted by the constraints of COVID-19, and we estimate that we have incurred a 12-month delay. We still are of the view that the Great Dyke of Zimbabwe presents a fantastic opportunity to mine high-grade, low-cost shallow PGMs and remains a focal area for our expansion strategy.

In closing, I would like to personally thank all the staff of Tharisa, without whom these strong results would not have been possible. I would also like to thank the Board, the management, stakeholders and suppliers who have worked with us this past year and look forward to our continued partnership in the years to come.

Phoevos Pouroulis
Chief Executive Officer

CHIEF FINANCE OFFICER'S REVIEW

The sustainability of Tharisa's business, built on the co-product business model and robust balance sheet, was proven in this financial year, with strong earnings growth, with earnings per share increasing to US 16.2 cents (2019: US 4.0 cents) and net debt to equity at a healthy 6.6%. These results are against a backdrop of extended national lockdowns as a consequence of the coronavirus, which came at a substantial cost to global economic growth. With this strong financial performance, Tharisa continued to generate healthy operating cash flows, providing returns to shareholders while in parallel investing in the business, ensuring all stakeholders benefit in the long term.



The return on invested capital (ROIC), 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), for the period under review was 18.8% (2019: 5.2%).

The Group's commodities are priced in US\$ and the base cost currency for the Group's South African mining operation is mainly in ZAR. The ZAR exchange rate remained volatile on the back of global markets suffering from "trade wars," a weak South African economy and the sovereign downgrade by all the major ratings agencies to sub-investment grade, with the ZAR depreciating on average against the US\$ by 12.5% to ZAR16.2 (2019: ZAR14.4)

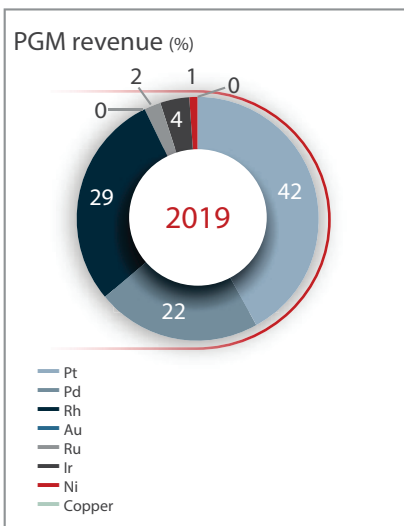
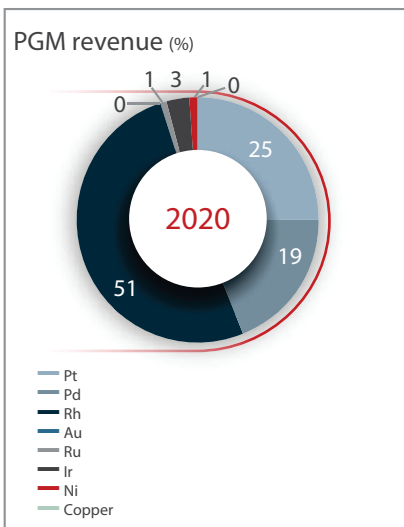
KEY FINANCIAL METRICS

	Unit	2020	2019
Revenue	US\$'000	405 995	342 885
EBITDA	US\$'000	113 386	51 557
Profit before tax	US\$'000	75 752	11 155
Profit attributable to owners of the Company	US\$'000	43 296	10 616
Earnings per share	US cents	16.2	4.0
Dividend per share	US cents	3.50	0.75
Return on equity	%	12.3	3.3
Return on invested capital	%	18.8	5.2
Total debt	US\$'000	70 613	71 216
Net debt	US\$'000	21 320	12 015
Net debt/EBITDA		0.2	0.2
Net debt/equity	%	6.6	3.7

Group revenue totalled US\$406.0 million (2019: US\$342.9 million), of which US\$218.6 million (2019: US\$130.1 million) was derived from the sales of PGM concentrate and US\$161.3 million (2019: US\$177.9 million) derived from the sale of chrome concentrates. The agency and trading segment contributed US\$24.1 million (2019: US\$34.9 million). Following the acquisition of the issued share capital of MetQ Proprietary Limited – a manufacturer of equipment principally for the mining industry – on 1 October 2019, a new segment, the manufacturing segment, was introduced and contributed US\$2.0 million to revenue.

Overall, revenue increased by 18.4%, on the back of increased sales volumes of both PGMs and chrome concentrates, and a strong increase in the PGM basket price.

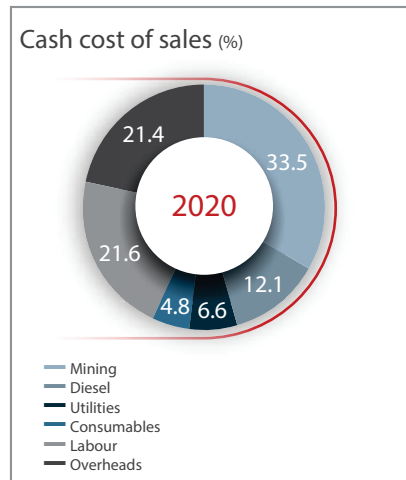
A breakdown of the PGM revenue is depicted below, reflecting the performance in the rhodium price, which made up over half of the PGM revenue at an average price of US\$8 348/oz (versus a spot above US\$16 000/oz at the time of writing) and therefore increased contribution to the revenue basket:



As a co-producer of PGMs and chrome concentrates, the shared costs of production for segmental reporting purposes are based on the relative contribution to revenue on an ex-works basis, allocating 75% (2019: 55%) to the PGM segment and 25% (2019: 45%) to the chrome segment.

Gross profit amounted to US\$130.4 million (2019: US\$60.4 million) with a gross profit margin of 32.1% (2019: 17.6%). The major factors contributing to the improved gross margin were the increase in the PGM basket price, and increasing sales volume and the benefits of the weaker ZAR:US\$ exchange rate.

The major cash cost of sales categories (excluding selling expenses) are summarised below:



Overall inflationary pressures in South Africa, as measured by the producer price index (PPI), were well contained at 2.5% (2019: 4.1%). The cost of diesel, which comprises approximately 13% of the on-mine cost of production, decreased with the average price per litre of diesel reducing by 8.2% per litre from ZAR14.25 (US\$1.0) per litre to ZAR13.08 (US\$0.8) per litre. Electricity costs, while not being a significant input cost at approximately 7% of the on-mine cost of production, increased by 12.4% per kilowatt hour.

On a unit cost basis, the reef mining cost per tonne increased by 6.5% from US\$24.7/t to US\$26.3/t. This cost per reef tonne was incurred on a stripping ratio of 12.1 (m³ waste: m³ reef). On a per cube mined basis, i.e. including both waste and reef, the cost reduced by 22.0% from US\$9.1/m³ to US\$7.1/m³ (the prior year stripping ratio was 8.3) on the back of the increased volumes moved. In all, US\$22.7 million (2019: US\$0.2 million) was capitalised to deferred stripping.

The consolidated cash cost per tonne milled (i.e. including mining but excluding transport and freight) increased by 2.9% from US\$41.9/t to US\$43.1/t.

Selling costs incurred with the transport of the metallurgical grade chrome concentrate from the mine to the customer at China main ports decreased from US\$63.2/t to US\$59.2/t.

Metric	Unit	2020	2019	%
Cubes mined	Mm ³	18.5	12.5	47.7
Cost per cube mined	US\$/m ³	7.1	9.1	(22.0)
Reef tonnes mined	Mt	5.0	4.6	7.4
Cost per reef tonne mined	US\$/t	26.3	24.7	6.5
Tonnes milled	Mt	5.0	4.8	4.1
Consolidated cash cost per tonne milled	US\$	38.5	41.9	(8.1)
Chrome inland and freight costs	US\$/t	59.2	63.2	(6.3)

Administration expenses amounted to US\$35.3 million (2019: US\$37.3 million), a decrease of 5.4%. The major cost within administration expenses was employee costs at US\$19.9 million (2019: US\$22.8 million), comprising 56.4% of the administrative costs (2019: 61.1%).

CHIEF FINANCE OFFICER'S REVIEW

CONTINUED

After accounting for the administration expenses, results from operating activities amounted to US\$87.6 million (2019: US\$24.2 million).

EBITDA amounted to US\$113.4 million (2019: US\$51.6 million).

Finance costs of US\$6.9 million (2019: US\$8.8 million), benefiting from a global reduction in interest rates, relate primarily to the corporate facilities in Tharisa Minerals, asset equipment finance and trade finance facility utilisation.

The Group generated a profit before tax of US\$75.8 million (2019: US\$11.2 million).

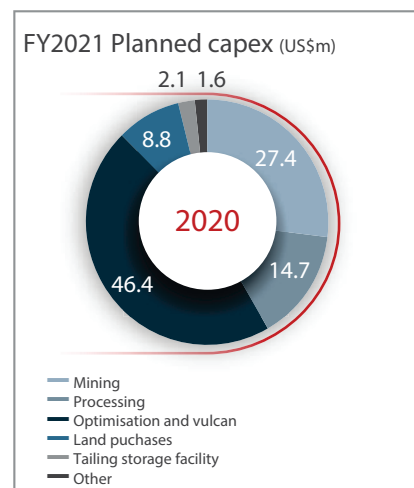
The tax charge amounted to US\$20.8 million (2019: US\$2.8 million), an effective charge of 27.5% (2019: 24.9% charge). A normalised tax rate should be circa 25%. However, certain expenditure incurred by the Company is not tax deductible. Cash tax paid amounted to US\$3.4 million (2019: US\$4.4 million).

The comprehensive income for the period, as a consequence of foreign currency translation differences of US\$24.1 million (2019: US\$14.0 million), amounted to US\$30.8 million (2019: US\$5.6 million loss).

	FY2020 (USc)	FY2019 (USc)	Change %
Basic earnings per share	16.2	4	up 305.0
Headline earnings per share	16.9	4.9	up 244.9
Diluted earnings per share	16.2	4	up 305.0
Diluted headline earnings per share	16.8	4.9	up 242.9

The total debt amounted to US\$69.2 million, resulting in a debt-to-total equity ratio of 22.0% and a net debt-to-total equity ratio of 6.6%.

Of the total capex spend of US\$70.6 million for the period, approximately US\$24.7 million related to additions to the mining fleet, US\$22.7 million to deferred stripping and US\$11.4 million to other mining assets. US\$11.8 million related to expansion capital. The depreciation charge amounted to US\$27.9 million (2019: US\$27.2 million).



Unredeemed capex available within the Group for set-off against future taxable profits amounts to US\$36.5 million.

The Group generated net cash from operations before working capital of US\$127.1 million (2019: US\$54.5 million) and, after taking into account the capex and a free cash flow of US\$43.8 million (2019: US\$26.0 million), cash on hand amounted to US\$49.3 million (2019: US\$59.2 million).

There is continued focus on working capital management, with the current ratio at 1.8 times.

Financial impact of COVID-19

During the South African national lockdown imposed by the government to help prevent the spread of the coronavirus, operations at the Tharisa Mine were curtailed.

Due to the global uncertainty at that time, Tharisa engaged with its lenders to manage its liquidity and reached agreements with its key lenders to a debt repayment "holiday" for a period of three months, in some instances a capital and interest holiday, and in other instances a

capital holiday only. In addition, major creditors agreed to an extension of their credit terms, increasing the period to between 60 and 90 days. The impact of these arrangements is reflected in the annual financial statements.

The off-takers for the PGM concentrate declared *force majeure* during the hard lockdown period and deliveries of concentrates were suspended. The off-takers continued to honour their payment terms. Subsequent to the easing of the lockdown restrictions, deliveries of PGM concentrate resumed.

Certain capex was incurred as additional safety and health protocols were implemented to ensure continued operations. The capex spend included the construction and equipping of an on-site occupational healthcare facility, the purchase of land and buildings for an isolation and quarantine facility, and the upgrade and equipping of this facility. Excluding the operational costs associated with the facilities, the capex spend was ZAR20.6 million (US\$1.2 million).

Direct and indirect taxes

Tharisa, a major employer in the region of its flagship Tharisa Mine, is also a major user of supply services. As part of the Company's assessment of its direct financial contribution to the fiscus, the Company has paid the following taxes in the year under review, with employee income tax, value-added tax (VAT), and the fuel levy making up over 80% of the taxes.

THARISA GROUP**Direct and indirect tax liability**

	2020 US\$'000	2019 US\$'000
Direct taxes		
Income tax	3 271	2 733
PAYE and related payroll taxes	13 717	17 353
Farm tax and rates	104	147
Mining royalty	1 206	2 120
	18 298	22 353
Indirect		
VAT	6 380	(7 028)
Dividend withholding taxes	108	–
Fuel levy	6 820	3 899
Other	798	1 911
	14 107	(1 217)
Total tax liability	32 405	21 135

Dividend

In accordance with Tharisa's dividend policy of distributing at least 15% of annual NPAT, the Board has proposed a final dividend of US 3.5 cents per ordinary share (17.1% payout ratio), subject to the necessary shareholder approval. The Company did not declare an interim dividend due to the uncertainty arising as a consequence of the coronavirus pandemic and the South African national hard lockdown at that time.

Appreciation

I would like to take this opportunity to thank our financiers, key suppliers and customers for their support during a period of such uncertainty for all of us. This support contributed to our successful financial year.

Michael Jones

Chief Finance Officer

MARKET REVIEW

South Africa is home to the world's largest PGM and chrome resources.

The country's mining industry is an essential component of the global commodity supply chain, with a particular emphasis on the PGM and chrome sectors, without which, major global industries would not be able to function as efficiently as they are.

South Africa hosts approximately 80% of the world's PGM and 72% of the world's chrome resources. These industries have benefited from significant investment, increased employment and community upliftment, while the country benefits from foreign revenue generation

According to statistics published by The Minerals Council South Africa (of which Tharisa is a member), employment in the chrome industry has increased more than 70% compared to the prior decade.

PGMs – STANDOUT PERFORMER OF THE YEAR

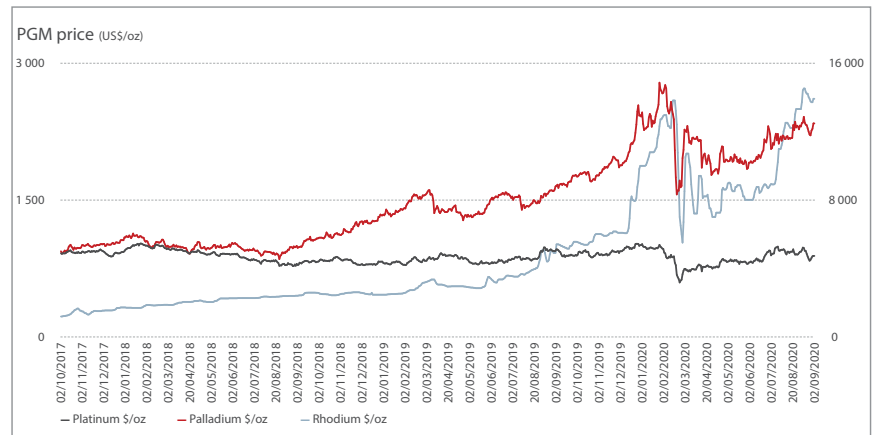
The overall basket price attained by Tharisa reached record highs, notably on the back of palladium and rhodium price levels. The average basket price for the year was US\$1 704/oz, up from an average price of US\$1 081 for the 2019 financial year. A weaker exchange rate caused by COVID-19 and global macro forces, saw the PGM basket price rally to ZAR27 691/oz for the year compared to ZAR15 531/oz the year prior.

PGM MARKET

PGMs are vital industrial metals valued for their durability, resistance to corrosion and catalytic properties. The automotive industry is the world's largest consumer of PGMs, which are used in catalytic converters for vehicle exhaust systems. Other drivers of demand are jewellery, industrial uses and investment.

With its rich mineral wealth, South Africa is home to the world's largest PGM deposits and remains the world's principal producer, responsible for roughly 70% of the total refined platinum production.

Fundamentals for the platinum group metals remain robust. Tharisa believes that while demand has slowed, particularly in autocatalysts as they are directly linked to economic activity and manufacturing supply chains, supply will remain interrupted for longer than anticipated as mines, in particular in South Africa, deal with complex commencement of operations and COVID-19 related disruptions.



Data from Johnson Matthey sees an interesting dynamic, where autocatalyst demand is expected to fall by at least 15% to 20%, while in parallel PGM supply will slow by more than 20%, as mines shut and network disruptions lead to a slowing in recyclable material coming back to the market.

Tharisa is the sixth largest South African listed PGM producer, having mined more than 142 koz of PGMs in the past financial year. Significantly, the Company's favourable prill split towards palladium and rhodium, the latter of which Tharisa produced over 13 500 ounces for the year, means it has an exposure to the two PGM metals that remain in deficit from a primary production point of view, and rhodium irreplaceable in the catalytic process of an internal combustion engine process. The increased demand for palladium, and rhodium is likely to continue as structural demand changes take place in autocatalytic demand from India, China and Europe as a result of tightening

emission standards. Further advances in the deployment of fuel cell technology and hydrogen economy, influenced by the pressure to reduce carbon footprints, should be supportive for continued platinum demand. The above is, notwithstanding the interruptions in the platinum supply demand fundamentals, as a result of the COVID-19 pandemic.

Tharisa believes in the unique properties of PGMs, which will mean the long-term demand for the metals remain healthy, coupled with reduced and disciplined producer supply of new ounces into the market. This will underpin the balance and ensure prices remain strong for the next 24 months at least. Delays in projects, together with tighter capital markets for new developments from proposed new entrants, will mean new supply will be delayed.

CHROME MARKET

South Africa hosts the largest chromite reserves in the world with annual production, measured both in local sales and export sales, making up two-thirds of the world's total production. Of South Africa's exports, over 90% were destined for China, with Indonesia remaining an important new player in the downstream chrome industry, with Tharisa supplying some of the most modern and largest mills in Indonesia.

With annual output of 1.34Mt in FY2020 and similar output in 2019, when

measured against the total demand of 12.5Mt of chrome ore from South Africa to China in the year 2019, Tharisa remains a significant player in the chrome industry, supplying between 10% and 12% of China's annual demand of the metal.

The chrome market had a weak start to the year, however, prices spiked during the peak of COVID-19 in South Africa, as buyers competed for material. The average sales price achieved for the year was US\$140/t, 13.6% lower than for the previous year.

CHROME END USES

Chrome ore demand is driven by ferrochrome use, with more than 90% of chrome ore being used for metallurgical purposes. Approximately 4% of demand is derived from the chemical industry and the balance from the foundry and refractory industries. The majority of metallurgical grade chrome concentrate is utilised in the production of ferrochrome. In turn, the largest consumer of ferrochrome is stainless steel. As such, the dynamics in the stainless steel industry have an impact on both the ferrochrome and chrome ore industries.

Uses of chrome concentrates

<p>93%</p> <p>Metallurgical grade</p> <ul style="list-style-type: none"> - Cr₂O₃ – 30% to 45% - SO₂ – <4% - Chrome is the key ingredient for stainless steel 	<p>2%</p> <p>Foundry grade</p> <ul style="list-style-type: none"> - Cr₂O₃ – >46% - SO₂ – <1% - High-thermal conductivity and low-thermal expansion - Moulds for metal castings
<p>4%</p> <p>Chemical grade</p> <ul style="list-style-type: none"> - Cr₂O₃ – 45% to 47% - SO₂ – <1.2% - Used to produce sodium dichromate 	<p><1%</p> <p>Refractory grade</p> <ul style="list-style-type: none"> - Cr₂O₃ – 46% - SiO₂ – <1.2% - 98% <2 mm - Refractory bricks for furnace linings

To produce one tonne of stainless steel requires:



PRINCIPAL BUSINESS RISKS

Tharisa regards principal business risks as issues that may, if they materialise, substantially affect the Group's ability to create and sustain value in the short, medium and long term. The risks that are material, i.e. the possibility of loss or harm occurring whether permanent in nature or causing significant damage, whether physical or financial, to Tharisa and its stakeholders are determined by an analysis of the Group's risks, the external environment and the Group's engagement with stakeholders. Material risks may impact the achievement of the Group's strategy. Each risk also carries with it challenges and opportunities. The Group's strategy takes into account known risks and these are assessed regularly, updated and included in the organisational risk matrix.

Material risks are considered and reported on an ongoing basis by those members of the management team responsible for risk management. The Tharisa Risk Committee comprises all members of the Board. Risks are identified in the Group Risk Register and are considered by management on a quarterly basis and reported to the Board at least twice a year.

Mitigation of risks, whether partial or in full, forms part of management's responsibility and is aligned with the Group's strategy.

The following tables summarise the material risks identified by management in consultation with stakeholders and with reference to the Group's business model and strategy.

RISK	IMPACT	MITIGATION
Safety		
Keeping people healthy is of paramount importance to Tharisa. Mining and processing safely is a key performance indicator for all executives and managers at Tharisa	Disruptions to operations pending root cause investigations Potential section 54 and section 55 instructions from the DMRE in terms of the South African Mine Health and Safety Act that impact on production	Strive for zero-harm working environment Implement culture of safety risk intolerance Comprehensive training on standard operating procedures Continuous training and adherence to global best practices Transparent and open relationships with DMRE inspectorate Key performance indicator in Group cash bonus scheme to incentivise safe behaviour Ensuring Zimbabwe operations align with Group safety standards
COVID-19 pandemic		
Keeping people healthy is of paramount importance to Tharisa	The impact of the COVID-19 pandemic is as yet not fully quantifiable as the pandemic is ongoing and no vaccine has as yet been developed	Tharisa has put in place measures that at a minimum comply with government regulations and adhere to best practices. Rigorous screening and testing measures are in place. Succession planning is in place in the event of illness. The Company has taken these steps proactively but there are no guarantees that the measures put in place will ensure the Company and its operations will not be affected by the pandemic
Political uncertainty		
South Africa – the burgeoning unemployment, increasing government debt and negligible GDP growth have led to a negative response to political certainty Negative business confidence Zimbabwe – international sanctions still exist and may affect the stability of the economy Hyperinflation and monetary policy uncertainty Negative business confidence and policy uncertainty Lack of currency liquidity	Unattractive investment destination(s) for international investors Potential for further credit rating downgrades Civil unrest adversely impacting mine production	The South African government has indicated commitment and intent in ensuring South Africa remains politically stable and that the economy advances Pledges by global concerns to invest in the country, which will serve to improve business confidence, unlock investment by local concerns and build GDP growth Lifting of certain indigenisation restrictions in Zimbabwe has and should attract further investment into the mining sector The President's willingness to attract international investment by his declaration that "Zimbabwe is open for business" Establishment and awarding of Special Economic Zones to assist capital flows and investment

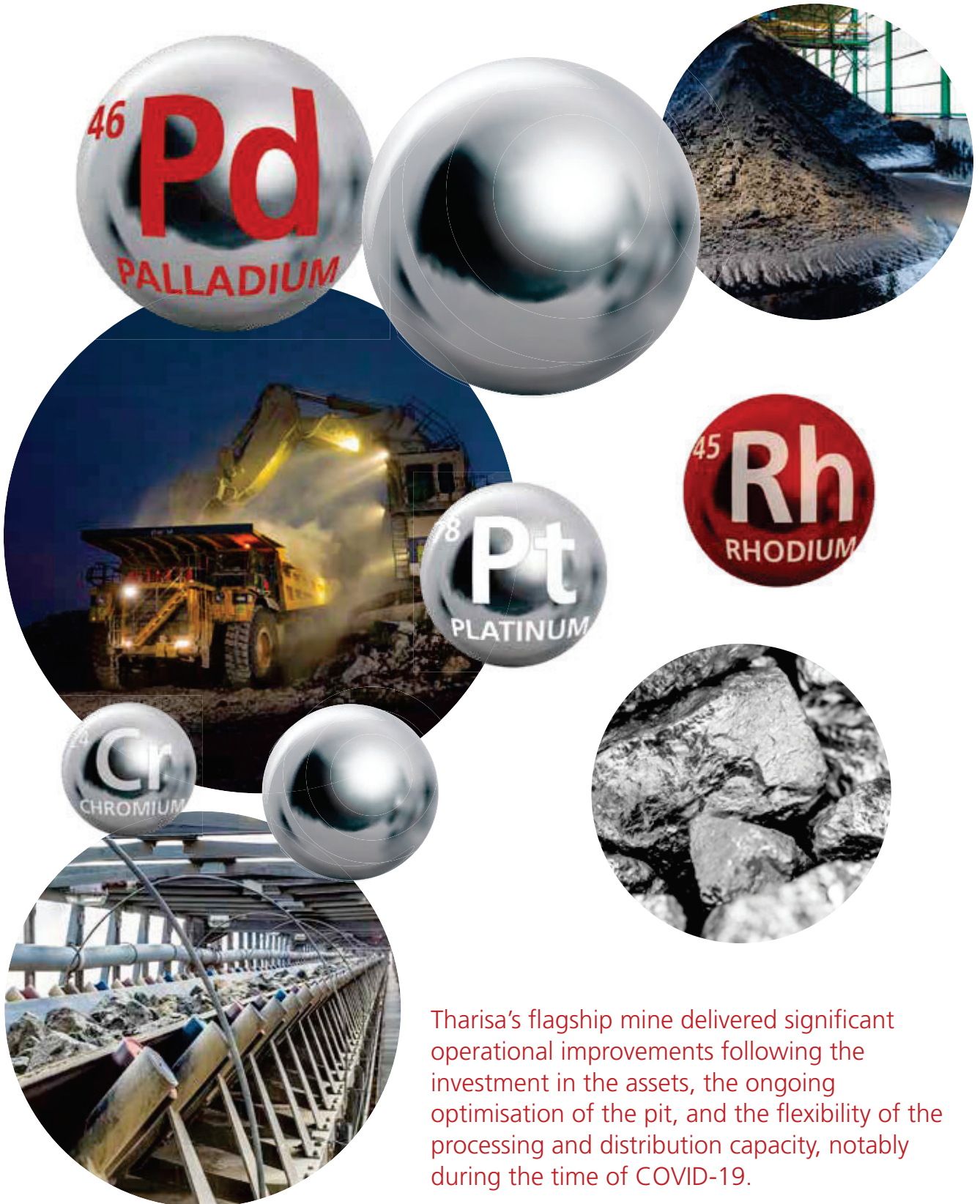
RISK	IMPACT	MITIGATION
Regulatory compliance		
<p>Tharisa Minerals' right to mine is dependent on strict adherence to various legal and legislative requirements</p> <p>Non-compliance with the Mineral and Petroleum Resources Development Act 2002 (MPDRA) and/or Mining Charter and/or the Group's Social and Labour Plan.</p> <p>The Group is required to comply with a range of health and safety laws and regulations in connection with its mining, processing and on mine logistics activities. Any perceived violation of the regulations could lead to a temporary shutdown of all or a portion of the Group's mining activities.</p> <p>Non-compliance with the Mines and Minerals Act of Zimbabwe and mining regulations promulgated under such Act</p>	<p>Cost of compliance to changes in the Mining Charter</p> <p>Non-compliance resulting in potential legal sanction including fines, penalties and risks to the right to mine via a forfeiture or cancellation</p> <p>Capital raising hindered</p>	<p>Ensure compliance with current MPRDA and applicable legislation</p> <p>Ensure compliance with the terms of the Mining Charter while making use of the phasing-in period</p> <p>Ensure compliance with the Group's Social and Labour Plan</p> <p>Proactive engagement with regulatory authorities and industry organisations</p> <p>Ongoing communication and awareness with investors</p> <p>Ensure compliance with all relevant Zimbabwean legislation, including the Mines and Minerals Act, Mining regulations promulgated under section 403 of the Mines and Minerals Act, the Labour Act, Exchange Control regulations and other laws and enactments governing investment</p> <p>Routine audits are carried out by the DMRE to ensure compliance</p> <p>Regular inspections are conducted by the DMRE to ensure compliance.</p>
Production/location concentration		
<p>Tharisa currently owns and operates one primary producing asset, located in South Africa</p> <p>The Group has made early entry investments into Zimbabwean exploration projects. However, the Group is still exposed to the potential of political risk and instability within the country of its operation</p>	<p>Exposure to potential macroeconomic, social and socio-political risks and instability</p> <p>Sovereign ratings downgrades of the country of operation can limit the Group's ability to raise financing and increase the cost thereof</p> <p>Exposure to only two main commodities</p>	<p>Third-party operations, such as the operations of Sibanye-Stillwater's K3 UG2 chrome plant, provides additional revenue from an alternate operation</p> <p>Diversification into higher grade chrome products has opened new markets for Tharisa</p> <p>Exploration projects in Zimbabwe provide geographic diversification, as well as access to higher grade chrome products</p> <p>Align strategy to identify and execute on the ability to diversify into other commodities</p>
Global commodity prices and currency volatility		
<p>The Group's revenues, profitability and future rate of growth depend on the prices of PGMs and chrome</p> <p>The state of the world's economies impact on demand and market prices for PGMs and chrome</p> <p>Volatility in the ZAR:US\$ exchange rate affects the Group's profitability, of which South Africa's land reform uncertainty and effects of other emerging markets are contributing factors</p>	<p>Downward pressure on the prices of PGMs and/or chrome may negatively affect the Group's profitability and cash flows</p> <p>The Group's reporting currency is US\$. The Group's current operations are predominately based in South Africa, with a ZAR cost base, while the majority of the revenue stream is in US\$, exposing the Group to the volatility and movement in the currencies</p> <p>Risk of competitor product dumping and undercutting market prices</p>	<p>Monitor costs closely to ensure that the Group remains in the lowest cost quartile</p> <p>Stringent cost control</p> <p>Improved operating efficiencies and production, driving down unit costs</p> <p>Service providers appointed to manage the Group's foreign exchange and PGM hedging strategy</p> <p>Production of higher value-add specialty grade chrome concentrates comprising 23% of Group chrome concentrate production</p>
Financing and liquidity		
<p>The activities of the Group expose it to a variety of financial risks, including market, commodity prices, credit, foreign exchange and interest rate risks</p> <p>Static share price trading</p>	<p>Significant changes in the financial assumptions made by the Group could impact on its ability to continue operating and jeopardise its ability to raise financing in the future</p> <p>Adverse impact on the ability to raise capital for growth and acquisitions</p>	<p>Positioned as a low-cost producer of both PGM and chrome concentrates</p> <p>Production of higher value-add specialty grade chrome concentrates</p> <p>Leveraging third-party operations</p> <p>Diversified customers and markets</p> <p>Stable Group performance assisted by free cash flows generated from operating activities</p> <p>Undrawn banking facilities</p> <p>Trade finance facilities assist with working capital requirements</p> <p>Secondary listing on the LSE and an additional listing on A2X in South Africa provide additional trading platforms and increased liquidity</p> <p>Marketing and roadshow efforts have enhanced the Group's profile and investor awareness</p>

PRINCIPAL BUSINESS RISKS CONTINUED

RISK	IMPACT	MITIGATION
Market/customer concentration		
<p>The bulk of Tharisa's chrome production is exported to China. This gives the Group a significant exposure to a single market</p> <p>Proposal by the South African government to impose a chrome tax</p>	<p>Customer base largely located in China, with accompanying exposure to Chinese markets</p>	<p>No reliance on a dominant customer within that market</p> <p>Tharisa has strategically diversified its production through the increase of specialty grade chrome concentrates, which make up approximately 25% of Tharisa's total chrome production</p> <p>Chemical and foundry grade chrome concentrates sold into diversified global markets</p> <p>Exploration project in Zimbabwe is focusing on higher grade chrome products</p> <p>PGM concentrate sold to leading precious metal refiners on a long-term offtake basis</p>
Environmental impacts		
<p>Tharisa is obliged in terms of its undertaking to stakeholders, including government, providers of capital and the community, to monitor, minimise and mitigate our impact on the physical environment and not to infringe on the rights to a safe and healthy environment. Non-compliance with this undertaking may infringe on the terms of the mining licence and the ability to continue mining</p>	<p>Harm to the environment</p> <p>Increased costs of remediation and rehabilitation due to legislative changes</p> <p>Potential legal sanction and class action suits</p> <p>Poor image of mining companies</p>	<p>Conduct all mining and processing operations in an environmentally responsible manner</p> <p>Compliance with applicable national and local laws and regulations</p> <p>Monitor compliance against Equator Principles</p> <p>Financial provision for rehabilitation and mine closure</p> <p>Ongoing environmental impact monitoring</p> <p>In Zimbabwe, we are fully compliant with all relevant legislation governing the environment, including the Environmental Management Act, and legislation covering air quality, emissions, land-use planning, soil conservation/soil improvement, waste management, hazardous substances, hazardous waste, water quality standards and biodiversity</p>
Climate change		
<p>The Group is exposed to risks caused by climate change, both physical changes to the earth's climate and investor sentiment towards the issue of climate change</p>	<p>Rising temperature levels can have an effect on the natural elements that are required by the mine, such as access to water</p> <p>Rising temperatures will have an effect on the physical wellbeing of the workforce</p> <p>Investor sentiment changing towards companies that have adopted best practice to climate change policies</p> <p>Carbon tax liabilities</p>	<p>Expand and implement roadmap to reducing greenhouse gas (GHG) emission at the operations</p> <p>Closer co-operation with suppliers and ensuring latest technology is employed to reduce GHG onsite</p>
Local stakeholders and communities		
<p>Tharisa Minerals' neighbours are impacted by its operations in terms of dust, noise, water usage and security</p> <p>The perceptions of stakeholders, including different sections of the community and various levels of government, are varied and multi-layered</p>	<p>Local stakeholder discontent has the potential to disrupt operations</p> <p>Safety and health of the community</p> <p>Complaints to regulatory authorities and risk of intervention</p> <p>Potential for adverse litigation</p> <p>Poor image of mining companies</p>	<p>Ongoing environmental impact monitoring</p> <p>Property purchase agreements being concluded with local landowners</p> <p>Partner with government and local municipality to develop identified land within the municipal spatial development area to which the community may be relocated</p> <p>Ongoing discussions with the DMRE and other government bodies</p> <p>Positive engagements with the local community with focus on sustainable community projects</p> <p>Focus on recruiting from local communities as much as possible if there is a skills match</p>

RISK	IMPACT	MITIGATION
Access to resources and infrastructure		
Tharisa's mining, processing and marketing operations rely on sustainable access to water, electricity and road and rail infrastructure	Production interruptions Failure to meet delivery commitments	Two independent processing plants provide flexibility in times of electricity curtailments Multi-modal transport optionality via bulk or containers, road and/or rail Integrated agreement for rail transportation and port facilities concluded with Transnet Open-pit diesel-powered mining fleet reduces reliance on electricity Generators installed at the processing plants to mitigate electrical supply curtailments
Labour		
The consistent, assured availability of appropriately skilled human resources at economical rates is essential to the sustainability of Tharisa's operations. Similarly important is the efficiency and discipline of the Group's workforce	Labour disruptions in South Africa remain a risk, particularly with the current political climate, which may contribute to heightened labour and community unrest Potential damage to property Loss of production	Monthly liaison with shop stewards and regular contact with regional leadership Ongoing training programmes Adequate insurance cover in the event of damage to property arising from unrest All levels of employees incentivised through bonus and incentive schemes leading to improved productivity and employee retention
Management of resources and reserves		
Management and planning of the extraction of the multiple MG layers of the reef are critical to the business model Tharisa's success depends on it extracting the maximum value per tonne of reef while avoiding in-pit dilution and undue sterilisation of the resource	Sub-optimal quantity and quality of reef results in poor processing plant recoveries, which impacts on production and financial performance Sterilisation of resources reduces life of mine and inhibits mining flexibility Loss of production as a result of low ROM stockpiles ahead of the plants	Owner mining model enables in-house management and control of all mining activities, with focus on correct mining practices with optimal quality and quantity of ROM Investment in latest technology and machinery for optimal mining practices In-house mining skills Accuracy and execution of mine plan Mining employees managed on key performance indicators (KPIs)
Unscheduled breakdowns		
The Group's performance is reliant on the consistent mining and production of PGM and chrome concentrates from the Tharisa Mine	Any unscheduled breakdown leading to a prolonged reduction in mining and/or production may have a material impact on the Group's financial performance and results of operations Loss of production as a result of low ROM stockpiles ahead of the plants	Optimisation of the existing mining fleet Developed engineering and geological skills that are integral to in-house mining Preventative maintenance programme for the fleet and plant Long-lead item spares in stock Purchase of ROM from third parties to increase stockpiles
Cybersecurity		
The Group performance may be materially and adversely impacted by a cyber-attack on its IT system	The processing plants at the mine are controlled by a supervisory control and data acquisition operating system and a cyber-attack could potentially subject the Group to a ransomware demand and/or cause a shutdown of the processing operations until a back-up system is operational or a work-around solution is obtained	The Group has carried out an audit of its potential exposure to a cyber-attack in respect of all its IT and has implemented mitigating measures that limit its exposure to internal and third-party access. The Group has implemented and continuously ensures globally accepted best-in-class software and protocols to filter malicious and criminal content, as well as the latest antivirus and security programmes Insurance against cyber-attacks, including back-up and restoration assistance Internal back-ups and scheduled back-up tests for integrity and continuity

OPERATIONAL REVIEW



Tharisa's flagship mine delivered significant operational improvements following the investment in the assets, the ongoing optimisation of the pit, and the flexibility of the processing and distribution capacity, notably during the time of COVID-19.

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)

Tharisa's co-product model utilising highly skilled workforce using modern mechanised mining in an open pit environment proved effective during this difficult period.

The impact of COVID-19, along with the national lockdowns and the disruptions associated with the pandemic, has been significant in South Africa, the African continent, and globally. The ongoing impact of the pandemic is likely to remain for the foreseeable future and, as a business, Tharisa has adapted accordingly, protecting the staff, suppliers and other stakeholders as best as possible, while continuing to deliver on the Company's stated strategic targets.

COVID-19 remains a risk to the Company, and the forecasts and guidance are premised on the current level of economic activity being permitted by various governments.

Tharisa's FY2021 production guidance is 155 koz to 165 koz PGMs (6E basis) and 1.45 Mt to 1.55 Mt of chrome concentrates.

	Unit	2020	2019
Reef mined	kt	4 971.1	4 627.1
Stripping ratio	m ³ : m ³	12.1	8.3
Reef milled	kt	5 036.1	4 836.0
PGM flotation feed	kt	3 765.9	3 605.9
PGM rougher feed grade	g/t	1.46	1.47
PGM recovery	%	80.1	82.1
6E PGMs produced	koz	142.1	139.7
Platinum produced	koz	78.7	77.0
Palladium produced	koz	23.0	23.6
Rhodium produced	koz	13.5	13.2
Average PGM contained metal basket price	US\$/oz	1 704	1 081
Platinum price	US\$/oz	876	840
Palladium price	US\$/oz	2 147	1 415
Rhodium price	US\$/oz	8 348	3 018
Average PGM contained metal basket price	ZAR/oz	27 691	15 531
Cr ₂ O ₃ ROM grade	%	18.2	18.1
Chrome recovery	%	62.1	62.0
Chrome yield	%	26.7	26.7
Chrome concentrates produced (excluding third party)	kt	1 344.8	1 290.0
Metallurgical grade	kt	1 023.2	977.9
Specialty grades	kt	321.6	312.1
Third-party chrome production	kt	169.8	241.1
Metallurgical grade chrome concentrate contract price	US\$/t CIF China	140	162
Metallurgical grade chrome concentrate contract price	ZAR/t CIF China	2 231	2 525
Average exchange rate	ZAR:US\$	16.2	14.4

THARISA MINERALS

Tharisa Minerals is 74% owned by Tharisa and is uniquely positioned as the world's only co-producer of both PGMs and chrome concentrates. Tharisa Minerals' core asset is the Tharisa Mine, which is situated on South Africa's Western Limb of the Bushveld Complex – home to more than 70% of the world's platinum and chrome resources.

Tharisa Minerals mines and processes five MG Chromitite Layers. Through innovative engineering, the mined reef is processed at two independent integrated plants extracting both PGMs and chrome concentrates. This reduces unit costs and positions Tharisa Minerals in the lowest cost quartile of operating costs in South Africa for both PGMs and chrome concentrates.

Tharisa Minerals' low unit costs and multiple polymetallic products have ensured that it is well placed to manage commodity price volatility and exchange rate volatility.

Its dual revenue streams provide a natural hedge against different commodity cycles with the products being used in different applications.

Safety

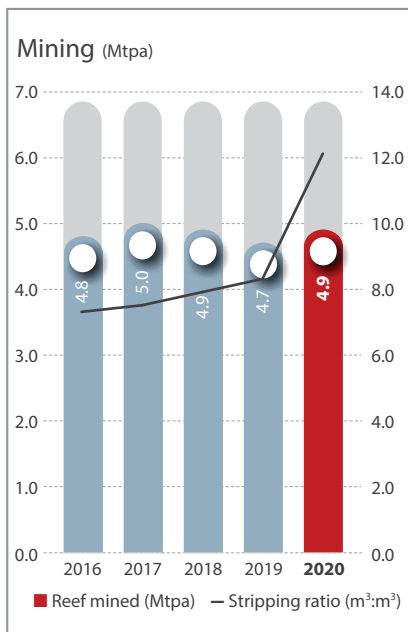
Tharisa acknowledges that the safety of its people is critical to its success. The LTIFR for FY2020 was 0.09 (2019: 0.27) per 200 000 man hours worked. The mine achieved five years fatality free and four million fatality-free shifts.

OPERATIONAL REVIEW CONTINUED

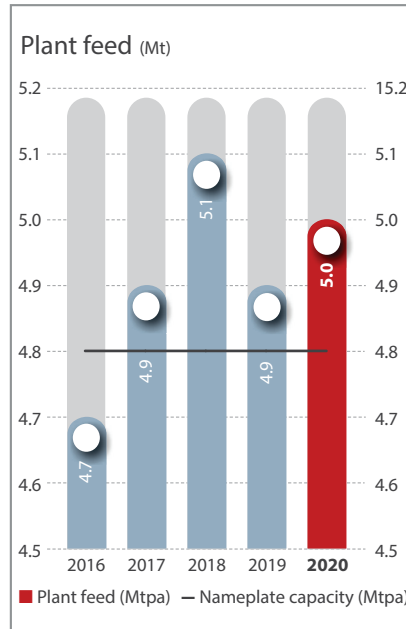
Mining operations

Tharisa Minerals holds a Mining Right over 5 475 ha of land near the town of Rustenburg in the North West province of South Africa. The Mining Right was granted on 19 September 2008 for an initial period of 30 years, providing access to MG Chromitite Layers, which outcrop with a strike length of approximately 5 km.

The Tharisa Mine has a remaining open pit life of 14 years with a projected 40-year underground mining operation. The open pit is divided into the east pit and west pit, and extracts reef from five MG Chromitite Layers.



Tharisa transitioned from a contractor mode to an owner-operator mining model two years ago. In FY2019, the Company redesigned the open pit of the Tharisa Mine, in order to ensure optimal use of our non-renewable resource. Despite the impact of COVID-19 on the mining and processing operations of the Tharisa Mine, the reconfiguration contributed to the mine improving operationally on all metrics.

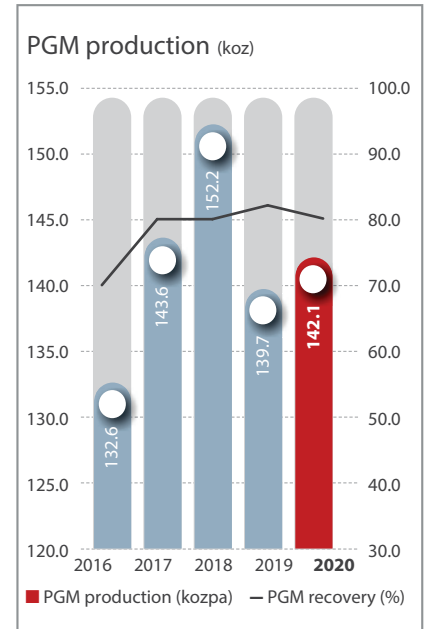


Tharisa Minerals' mining division mined 4.9 Mt of ROM for FY2020, a 7.4% increase year on year. These volumes were attained while increasing the mine's stripping ratio to 12.1 m³:m³, well ahead of the LOM requirements of 9.8 m³:m³, further increasing access over the reef systems. The opening of the pit, which has seen bench lengths increase, has also meant improved flexibility in the reef mix fed into both metallurgical plants, with over 360 kt of ROM stockpile ahead of the plant at the end of the financial year.

Processing

The PGMs in the MG ore mined by Tharisa Minerals occur in the silicates and are not associated with the chromite, thus enabling the process to extract chrome before PGMs without sacrificing PGM recovery.

This lowers the chrome content in the PGM circuit and results in much lower chrome content in the PGM concentrate compared to typical UG2 operations. Base metal content in the MGs is also significantly lower than Merensky and UG2 ores, resulting in a low matte fall during smelting, reducing base metal refining requirements.



Tharisa Minerals' two independent processing plants are designed specifically to treat the MG Chromitite Layers of the Bushveld Complex. The smaller 1.2 Mtpa Genesis Plant, with the 100 ktpm chrome circuit, was commissioned in August 2011 with the PGM circuit being commissioned in December 2011. The larger 3.6 Mtpa Voyager Plant was commissioned in December 2012. Both plants operate at above nameplate capacity and milled 5 Mt collectively. The plants have a similar process flow that includes crushing and grinding, primary removal of chrome concentrate by spirals, followed by PGM flotation from the chrome tails and a second spiral recovery of chrome from the PGM tails.

Operating in parallel, the independent plants provide processing flexibility and production stability by allowing one plant to be shut down without hampering the production of the other. The modular design of the processing circuits allows sections of the plant to be stopped without affecting the rest of the operation (i.e. a crushing circuit can be stopped independently of the milling, spiral and flotation circuits).

Using off-the-shelf technology, the processing circuits are uniquely engineered to produce both PGM and chrome concentrates. This innovative approach to production has made Tharisa

a world-class PGM and chrome concentrate co-producer.

The PGM rougher feed grade was steady for the year at 1.46 g/t, while the Cr₂O₃ ROM feed grade was marginally up at 18.2% for the year.

Tharisa targets recoveries of 85% for PGMs and 65.0% for chrome. In FY2020 PGM recoveries were 80.1% while chrome recoveries were 62.1%.

During the year, the Group produced PGM concentrates containing 142.1 koz of contained PGMs (5PGE + Au) and chrome concentrates of 1.34 Mt with 321.6 kt being specialty grade concentrates. Third-party chrome concentrate produced was 169.8 kt.

Specialty chrome recovery circuits are integrated into the feed circuit of the Genesis Plant, known as the Challenger Plant. The Challenger Plant, which is owned by fellow subsidiary Arxo Metals, was commissioned in July 2013 and produces chemical and foundry grade chrome concentrates.

Production of specialty grade concentrates accounted for 23.9% of Tharisa's chrome production in FY2020, and will be maintained at current levels to ensure that it maintains a strategic market share.

The previously announced projects aimed at optimisation to the crushing circuit and PGM recoveries have been completed.

Vulcan Plant

Tharisa's R&D team has developed the Vulcan process to extract the fine chrome from current in-line tailings from the combined feed of the Genesis and Voyager Plants. The primary aim of the Vulcan Plant is to increase chrome recovery from the current 65% target to 82% at the Tharisa Mine, capable of adding an additional 400 ktpa (ca. 25% of current production) of chrome concentrate output. The Vulcan process utilises existing technologies to improve chrome recoveries, with the process having been rigorously tested and proven through pilot plant test work and the operation of a production scale demonstration plant. The total capital cost of US\$54.2 million includes contingency and owner's cost.

This project was approved and commenced at the end of FY2019. The lockdown, which affected South Africa from March 2020, meant this project was put on hold as economic activity was limited. Project restart was approved at the end of FY2020 following the relaxation of economic activity in South Africa, with anticipated completion in 12 months using internal cash flows and available facilities to finance the construction.

Sales and marketing

The Group's market advantage is its exposure to both the PGM and chrome markets. This dual exposure gives the Group a hedge against volatility in either of the commodity prices.

Tharisa Minerals continues to supply the majority of its PGM concentrate to Impala Platinum in terms of its offtake agreement and is paid a variable percentage of the contained PGMs and base metals contained within each tonne of concentrate in terms of an agreed market formula. The remainder of the PGM concentrate is sold to Sibanye-Stillwater.

The PGM basket price improved by 57.6% to US\$1 704/oz in FY2020.

Chrome concentrate sales totalled 1.34 Mt, 321.6 kt of which was Tharisa's higher margin specialty chemical and foundry grade chrome concentrates. The bulk of Tharisa's sales are derived from metallurgical grade chrome concentrate, which included 169.8 kt of third-party chrome concentrates.

Specialty grade chrome concentrates produced within the Group are sold in terms of an agency and offtake agreement. The chemical grade chrome concentrate is jointly marketed by Tharisa and an independent third party.

Spot metallurgical chrome concentrate prices were volatile during the financial year, but overall lower than in the previous two years. Prices received ranged between US\$170/t and US\$113/t, with the average price for metallurgical grade chrome concentrate on a CIF main ports China basis, decreasing in US dollar terms from US\$162/t to US\$140/t the previous year.

The production of the higher value specialty chrome concentrates, which typically command a premium of US\$30/t to US\$50/t, provided additional margin.

The Group continued to deliver metallurgical grade chrome concentrate in terms of its five-year strategic co-operation agreement with Taiyuan Iron & Steel's (Tisco's) joint venture company Shanxi Taigang Wanbang Furnace Charge Co. In terms of the agreement, which was effective as of September 2017, Arxo Resources will supply Tisco with a minimum of 240.0 ktpa of metallurgical grade chrome concentrate at a market-related price.

Metallurgical chrome production, at a market-related price, is shipped in bulk and containers via South African ports to major stainless steel and ferrochrome producers in China and Indonesia.

Arxo Metals

Arxo Metals owns the Challenger Plant, which is integrated into Tharisa Minerals' Genesis Plant. The Challenger Plant is dedicated to the production of chemical and foundry grade concentrates. Specialty grade concentrates carry more stringent specifications and therefore fetch a higher selling price. Arxo Metals has an offtake agreement for the sale of its concentrates to customers in the chemical and foundry industries globally. Arxo Metals accounted for 83.9 kt of chemical grade chrome concentrate (2019: 64.3 kt) and 30.1 kt of foundry grade chrome concentrate (2019: 15.5 kt) in FY2020.

In August 2017, Arxo Metals entered into an agreement with now Sibanye-Stillwater on the operation of its K3 UG2 chrome plant and for the sales and marketing of the UG2 chrome concentrate produced. Arxo Metals unlocks greater value from the K3 UG2 chrome plant using innovative processing already in use at our operations. The chrome production for FY2020 from the K3 UG2 chrome plant was 169.8 kt, down from 241.1 kt in FY2020, as a result of the stoppage due to the stoppage of the operation for several months due to COVID-19 curtailments.

Arxo Metals is also the beneficiation, research and development arm of the Group. Arxo Metals conducts extensive

OPERATIONAL REVIEW CONTINUED

research into technologies and downstream beneficiation opportunities that have the potential to improve yields and recoveries at the Tharisa Mine. The creation of increased value PGM and chrome products through the expansion and optimisation of the Group's processing operations is its core focus.

Arxo Metals has commissioned a 1 MW DC furnace, operated by Tharisa Minerals, which produces PGM alloy, and is continuing its research work into refining processes.

Arxo Metals continues to evaluate low-capital, low-energy, value-adding beneficiation projects through in-house research and development.

Arxo Resources

Arxo Resources has the exclusive right to sell the metallurgical grade chrome concentrate produced by Tharisa Minerals to customers in China and other international markets. It has established a strong platform with global customers in China, including stainless steel and ferrochrome producers, as well as global commodity traders.

Arxo Resources has a marketing agreement with Noble, a global commodities trading company listed on the Singapore Stock Exchange, whereby Noble acts as an agent for the marketing of metallurgical grade chrome concentrate produced by Tharisa Minerals.

Arxo Resources also has a joint marketing agreement for Tharisa Minerals' chemical grade chrome concentrate production.

In FY2020, Arxo Resources sold 1.17Mt (2019: 1.1 Mt) metallurgical grade chrome concentrates, of which 1.0 Mt was produced by Tharisa Minerals.

The scale of Arxo Resources' operations allows for direct access to market and price discovery. Its established contacts with customers also directly creates an excellent platform for additional sales of third-party products.

Arxo Logistics

Arxo Logistics provides an integrated logistics platform that reduces the risk and costs of transporting concentrates. It manages the road transportation of

Tharisa's PGM concentrates to Impala Platinum and the long haul transportation of chrome concentrates from the Tharisa Mine and K3 UG2 chrome plant to international customers through bulk and container shipping. Exports take place via the Richards Bay Dry Bulk Terminal and the Durban container port on the South African coast.

Arxo Logistics has a good relationship with both South Africa's transport parastatal, Transnet, and the port authorities. Arxo Logistics has the exclusive use of the Marikana railway siding for chrome exports.

Arxo Logistics shipped a total of 1.45 Mt (2019: 1.1 Mt) of chrome concentrate in FY2020, mostly to main ports in China, including third-party materials.

Of this, 99.6% was shipped in bulk, which is preferred by customers due to ease of handling and reduced port charges, as well as reduced levels of administration.

The logistics arm of the Group has the necessary road and rail transport capacity, warehousing facilities and port facilities at the Richards Bay Dry Bulk Terminal and the Durban container port to manage Tharisa Minerals' full production capacity. It also serves as a platform from which the Group can provide services to additional third-party customers.

Arxo Logistics provided third-party logistics services during the year under review and is planning to expand this service offering in the year ahead.

MetQ

MetQ Proprietary Limited, a manufacturer of equipment principally for the mining industry, was acquired by Tharisa with effect 1 October 2019. The Company has a 40-year track record of supplying specialist processing equipment to the mining industry, with a number of long-term clients. The business contributed US\$2.0 million in revenue to Tharisa for FY2020

Exploration projects

The Great Dyke in Zimbabwe is a geological feature of great significance, as it hosts the world's second largest deposits of PGMs and chrome, outside of South Africa's Bushveld Complex. The

Great Dyke is over 550 km long and up to 11 km wide. There are two mineralised horizons, namely the main sulphide zone (MSZ) and the lower sulphide zone (LSZ). Mining operations located on the Great Dyke exploit the MSZ, while the LSZ is largely under explored.

Karo Holdings

In June 2018, Tharisa acquired a 26.8% shareholding in Karo Holdings. Karo Holdings entered into an investment agreement with the Republic of Zimbabwe on 22 March 2018, in terms of which Karo Holdings has undertaken to establish an integrated PGM mining complex.

Karo Platinum, an indirect subsidiary of Karo Holdings, applied for and was awarded PGM rights under a Special Grant under the Zimbabwe Mines and Minerals Act, covering an area of 23 903 ha. The licence area is situated on the Great Dyke in the Mashonaland West District of Zimbabwe. This area of land had been released by Zimbabwe Platinum Mines (Private) Limited from its mining lease area in support of the government of Zimbabwe's efforts to enable participation by other investors in the country's platinum mining industry. In terms of the Special Grant, Karo Platinum will be entitled to mine PGMs situated within the licence area. Karo Platinum will be responsible for the mine development and mining operations, which will deliver ROM ore to Karo Refining.

Most recently Karo Platinum completed 238 boreholes, comprising 32 400 m drilled. Drilling has focused on the western boundary of the Great Dyke, with average depths of 50 m to 150 m below surface targeted. Significantly, the Zimbabwe Special Economic Zones Authority has declared a portion of Selous, measuring 50 667 hectares, as a special economic zone. The zone is located on certain pieces of land covered by special mining grants issued to a subsidiary of Karo Holdings. The second phase of drilling has commenced following partial lifting of COVID-19 restrictions.

Salene Chrome

Tharisa was granted a call option to acquire a 90% shareholding in Salene Chrome. Salene Chrome was awarded three Special Grants covering an area of

approximately 9 500 ha on the eastern side of the Great Dyke in Zimbabwe. The Special Grants entitle Salene Chrome to mine the minerals thereon, including chrome, being at-surface chrome fines generated from seams as a result of weathering.

In the year under review, Salene Chrome completed 78 boreholes or 3 000 m of drilling, the ultimate aim being the mining of surface and gravity separation, with lumpy product being sold to local off-takers.

Outlook

Tharisa’s co-product model utilising highly skilled workforce using modern mechanised mining in an open pit environment proved effective during this difficult period. Increased mine development over the past year positions the mine to continue its strong operating performance into this coming year, with the cost base unlikely to be impacted by above inflationary increases. COVID-19 remains a risk to the Company and the forecasts and guidance are premised on the current level of economic activity being permitted by various governments.

Tharisa’s FY2021 production guidance is 155 koz to 165 koz PGMs (6E basis) and 1.45 Mt to 1.55 Mt of chrome concentrates.

PRODUCTS

The Tharisa Mine produces the following products:

PGM concentrate: PGM concentrate is produced from both processing facilities. The concentrate produced from the Voyager Plant is a higher grade than the concentrate from the Genesis Plant, due to the different chromitite reefs treated by the respective plants. The major component of the PGMs is platinum, followed by palladium and rhodium.

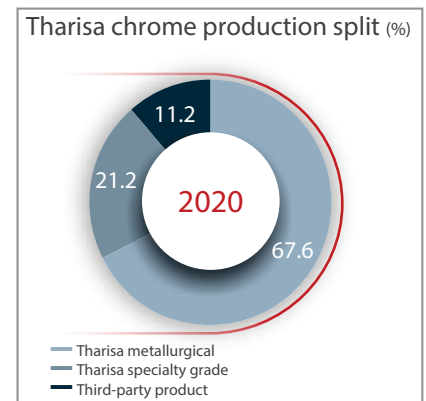
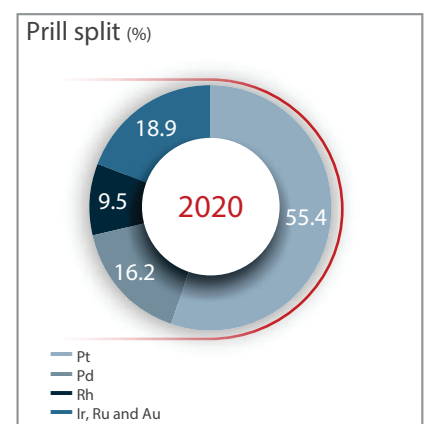
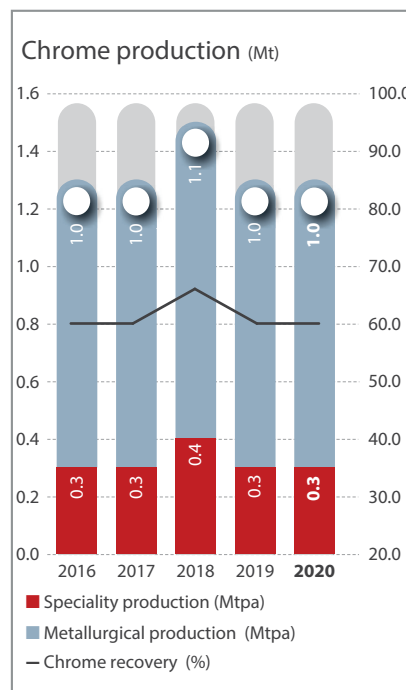
Average market price	FY2020 US\$/oz	FY2019 US\$/oz	Change %
Platinum	876	840	4.3
Palladium	2 147	1 415	51.7
Rhodium	8 348	3 018	176.6

Metallurgical grade chrome concentrate: The typical metallurgical grade produced by Tharisa is 40.0% to a 42.0% chrome (as Cr₂O₃) with the silica (SiO₂) lower than 5.0%.

Chemical grade chrome concentrate: The typical chemical grade produced by Tharisa is 44.0% to 46.0% Cr₂O₃ with the SiO₂ lower than 1.0%. This is a higher value chromite product than the metallurgical grade chrome concentrate.

Foundry grade chrome concentrate: The typical foundry grade produced by Tharisa is 45.0% to 46.0% Cr₂O₃ with the SiO₂ lower than 1.0%. The American Foundryman Society Grain Fineness Number (AFS Number) is managed between 45 and 50. As with the chemical grade chromite, this is a higher value chrome concentrate than the metallurgical grade chrome concentrate.

Average chrome price	FY2020 US\$/t	FY2019 US\$/t	Change %
42% metallurgical grade	140	162	(13.6)



SUSTAINABILITY

SAFETY

0 FATALITIES	0.00 FATALITY FREQUENCY RATE	5 Years Fatality Free SAFETY MILESTONES
22 MEDICAL TREATMENT CASES	4 LOST-TIME INJURIES	0.00 TARGET LTIFR

HEALTH

3 842 EMPLOYEES AND CONTRACTORS VOLUNTARILY TESTED FOR HIV/AIDS	504 EMPLOYEES WHO TESTED POSITIVE FOR HIV/AIDS	14% HIV/AIDS PREVALENCE RATE AMONG EMPLOYEES AND CONTRACTORS
10 724* NUMBER OF COVID-19 SCREENINGS	4 715 EMPLOYEES AND CONTRACTORS SCREENED FOR TB/SILICOSIS (VIA MEDICAL SURVEILLANCE PROGRAMME)	4 715 EMPLOYEES AND CONTRACTORS WHO UNDERWENT HEARING TESTS (VIA MEDICAL SURVEILLANCE PROGRAMME)

ENVIRONMENT

185 807 MWh TOTAL ENERGY CONSUMPTION	82 829 tCO₂e TOTAL CO ₂ EMISSIONS (SCOPE 1)	US\$17.3 m CUMULATIVE REHABILITATION PROVISION
1 290 346 m³ TOTAL WATER CONSUMPTION	38.2 m litres TOTAL DIESEL USAGE	637.4 tonnes DOMESTIC WASTE

Data is applicable to Tharisa Minerals for FY2020

Medical surveillance programme includes initial, periodic and exit medicals for employees and contractors

* As at 1 December 2020

The goal of zero harm is of the utmost importance to Tharisa and takes precedence over all production objectives. In order to achieve this, the business is reliant on sound safety, health and environmental monitoring systems and procedures, and a competent, trained and committed workforce. Tharisa in turn is committed to explore, mine, process, market and distribute our products to customers and stakeholders without compromising on our goal of zero harm.

Tharisa Minerals continued to deliver an exemplary safety performance during FY2020. Tharisa Minerals achieved its four million fatality-free shifts on 19 June 2020. The Mine in total celebrated its five-year fatality-free performance on 28 September 2020. The Process division celebrated 6 000 fatality-free production shifts on 28 April 2020.

Tharisa is pleased to report that there have been no fatalities during FY2016, FY2017, FY2018, FY2019 and FY2020.

At 30 September 2020, Tharisa Minerals achieved 38 545 082 fatality-free hours and 4 335 571 fatality-free shifts.

Although there was uncertainty in the 2020 financial year after the COVID-19 pandemic outbreak, Tharisa Minerals rose to the challenge. While there was a shift in focus for the larger part of the year, Tharisa continued to ensure employees and contractor employees remained compliant in terms of company procedures and requirements. Tharisa established a COVID-19 Committee to ensure compliance with newly required regulations with regards to COVID-19.

No stone was left unturned to ensure a safe, healthy, and compliant environment for all employees and to ensure employees remain focused during these trying times. A status quo shift was required with a COVID-19 Command Centre established and a COVID-19 Officer being appointed to monitor compliance of the workforce as regulated by the Disaster Management Act. All employees went through rigorous screening and COVID-19 induction, prior to return to work after the COVID-19 lockdown period.

A COVID-19 quarantine facility and clinic were established where employees with COVID-19 symptoms could be tested and quarantined until their results could be

obtained. This added to the success rate, as employees with symptoms, as well as co-contacts, could be quarantined to prevent the spread of the disease. Tharisa also adopted a zero-tolerance approach in this regard. Any possible contact was immediately blocked from site and quarantined at the onsite facility or self-quarantined until the results were available and the employee was declared fit to return to work by the Occupational Medical Practitioner.

Tharisa Minerals introduced their onsite Occupational Health Centre, with state-of-the-art medical equipment, on 1 August 2020, where employees could undergo medical examinations to ensure compliance with its annual medical surveillance programme. All mining and processing employees, including

contractors, undergo an annual medical fitness examination and complete annual induction training to ensure they stay abreast of any changes in procedural requirements.

Tharisa Minerals has taken extra care to ensure its processes and policies are adhered to and that employees are kept well informed of potential health and safety hazards through continual communication and training. On return to work after the lockdown, supervisory training and holding supervisors accountable for their actions continued. Throughout the year, the focus was on the quality of incident investigations and ensuring that all incidents were reported for investigation in order to ensure that corrective and preventive actions focused and on eliminating, redesigning and



SUSTAINABILITY CONTINUED

separating risks in line with the hierarchy of controls. Where injuries occurred, Tharisa Minerals' focus was on completing effective investigations and root cause analysis to prevent repeat incidents. For full details on all the preventative measures Tharisa has implemented, please go to <https://www.tharisa.com/pdf/covid-19/covid-19-presentation-of-compliance.pdf>.

The Group employs a safety management system. The system requires a baseline risk assessment to identify the major risks at the operations. These risks are then examined further by conducting issue-based risk assessments and continuous risk assessments with the identification of appropriate control measures to mitigate these risks. Measures include standards and procedures updates, operating checklists, as well as training lesson plans. To ensure compliance, a system of "over-inspection" by supervisors and safety staff is implemented. Further mitigation measures include visible felt leadership and ongoing training.

As required by South African regulations, Tharisa Minerals has established a mine Safety, Health and Environment (SHE)

Committee. The SHE Committees, at both the holding company and operating subsidiary levels, are responsible for overseeing compliance with health and safety legislation and policies. The committees approve and implement all mandatory codes of practice and procedural requirements as determined through the risk assessment process and ensure relevant training is conducted on these requirements. Safety staff oversee inspections of workplace performance and site conditions, and identify and allocate any necessary corrective actions.

Tharisa remains committed to the health of its employees and has implemented a number of programmes to facilitate wellbeing among those who work for the Group. Chief among these programmes is Tharisa Minerals' occupational health programme, which has as its key focus tuberculosis (TB), HIV/AIDS, dust exposure and noise-induced hearing loss. TB and HIV/AIDS are being addressed via a strong focus on prevention through education and awareness initiatives. Antiretroviral treatment (ARV) is offered through state-funded and medical aid-funded resources to eligible persons. The programme is managed through Tharisa's wellness service provider.

The HIV prevalence rate among Tharisa Minerals' own employees is 14%. The prevalence rate including contractors is also at 14%. This information is derived from medical examinations, which all employees undertake (initial, periodical and exit medicals) including contractors, and are encouraged to undergo voluntary counselling and testing (VCT). Due to COVID-19, Tharisa Minerals did not host a Wellness Day this year and VCT was offered to employees during annual medical examinations. Every employee who tests positive is provided with counselling and is encouraged to participate in the ARV programme.

The Tharisa Minerals Thusanang Wellness Programme has been running since December 2011 with the aid of Calibre Clinical Consultants (Calibre). "Thusanang" is a Setswana word meaning "helping each other". The programme was designed to provide support, counselling and training to employees, their families, and the community about their lifestyle, wellbeing and work environments. During the COVID-19 pandemic, the Wellness Programme was utilised to assist employees and their families through a COVID-19 Hotline. Employees could utilise this Hotline to receive information on COVID-related symptoms and obtain assistance on what to do if they experience any symptoms. Counselling and support was offered through this programme to employees and family members exposed to COVID-19.

The Tharisa Minerals' Peer Educator Programme was launched in September 2012. The course trains a group of employees who champion the programme and provide further wellness education to employees and the community. Tharisa Minerals has 30 active peer educators and 42 trained peer educators. In 2020, the peer educators underwent annual refresher training, as well as COVID-19-related training in order to raise awareness and to support employees.

HEARING

The Mine Health and Safety Committee (MHSC) 2025 Health and Safety Milestones stipulate that no employee's standard threshold shift (STS) should exceed 25 dB from the baseline when



averaged over 2 000 Hz, 3 000 Hz and 4 000 Hz in one or both ears from December 2016. This milestone is monitored during annual medical examinations. High-noise zone areas have been identified and Tharisa Minerals ensures that personnel working in these high-risk areas are issued with personalised hearing protection. These high-noise zones are assessed and updated regularly. The issuing of personalised hearing protection has been extended to the medium-risk areas. Safety staff oversee inspections of the high-noise zones to ensure compliance with the wearing of hearing protection in the zones identified.

All cases of noise-induced hearing loss have been investigated and reported to the DMRE as per the legislated requirements.

The MHSC has also set a December 2024 target where the total operational or process noise emitted by any equipment must be below 107 dB (A). Tharisa Minerals has achieved this target. Continuous hygiene monitoring is done to ensure compliance. Procurement and Engineering staff continue to ensure that all new equipment meets this requirement.

TUBERCULOSIS

The Tharisa Minerals Thusanang Wellness Programme actively campaigns for the awareness of TB and its symptoms. These campaigns encourage all employees, including contractors, to participate in screening.

The MHSC’s 2025 milestones aim to reduce the rate of TB among mineworkers to the national incident rate or below.

Tharisa Minerals’ interventions to address and reduce TB among its workforce include increased TB screening, TB awareness campaigns, questionnaires to identify symptoms, and the enlisting of trade union involvement in and commitment to improving TB awareness and lowering incident rates among employees and their families.

TB screening is done on an ad-hoc basis and during the occupational medical examinations. Sputum tests are

conducted on employees who are potentially at risk of having TB.

To further prevent the spread of TB, contact screening is done on employees who may have been exposed to the disease by being in contact with other employees working in the same exposure group.

All cases of TB have been reported to the Medical Bureau of Occupational Diseases, Compensation for Occupational Injuries and Diseases, and the DMRE as per the legislated requirements.

HIV

As legislated, HIV testing at Tharisa Minerals is voluntary; however, all employees undergo counselling, prior to voluntary testing. Tharisa Minerals actively campaigns to increase awareness of HIV, its cause, its symptoms and treatment. All employees, including contractors, are encouraged to participate in the screening.

All of Tharisa Mine’s employees are offered haematocrit blood tests annually, through the medical surveillance programme, and all eligible employees are counselled and asked whether they would like to join an ARV programme, which is run and managed by the third-party service provider, Calibre. Tharisa Minerals, the Occupational Medical Practitioner, and Calibre work together to increase the uptake of ARV. These interventions include pre- and post-test counselling, awareness programmes, and roadshows and are a focus of the Peer Educator Programme. HIV statistics are based on HIV testing done during medical examinations.

Tharisa Minerals Community Peer Educator continues to conduct home visits in the community and health campaigns are conducted in the community by the service provider. The main objective is to help prevent the spread of HIV in our community. This is done through community outreach and the distribution of HIV and TB information, as well as information on where to seek assistance. The Tharisa Mine also distributes condoms in places like community shops and taverns.

SILICOSIS

In compliance with the MHSC 2025 Health and Safety Milestones, levels of respirable crystalline silica have to be reduced in 95% of all individuals (not averages) to below occupational exposure limits (OEL) of 0.05 mg/m3 by December 2024. Tharisa Minerals is monitoring respirable crystalline silica levels through its Occupational Hygiene monitoring programme and by issuing quality dust masks to its workforce. Mask wearing is monitored during visible field leadership and SHE inspections. Tharisa Minerals complies with the 95% milestone as stipulated.

WELLNESS CAMPAIGNS

Focus was on COVID-19 training and awareness campaigns, while other interventions include:

Sexually transmitted infection (STI) and HIV awareness presentation	February 2020
TB	March 2020
Hypertension	August 2020
Cholesterol	September 2020

AN INNOVATIVE APPROACH TO SAFETY PERFORMANCE

Over the last four years, Tharisa has evolved its safety culture from one of compliance to one that places the individual at the heart of safety, as part of a system, which sees safety driven by values. This innovative approach differs from industry norms in that it allows individuals to own their safety programme. Tharisa’s focus for 2020 was moved from SLAM (Stop, Look, Analyse and Manage) to SLAF (Stop, Look, Assess and Fix), where employees pledged: “IF IT IS NOT SAFE I WILL NOT DO IT!”. Employees were encouraged to take a stance on safety and own their safety in the workplace. Tharisa Minerals introduced #proudlyTharisa to their workforce in order for employees to take pride in their work and their compliance. This campaign is monitored through SHE compliance audits and a disciplined approach.

By following this innovative approach over the last four years, Tharisa Minerals achieved a lost-time injury frequency rate (LTIFR) of 0,06/200 000 man hours

SUSTAINABILITY CONTINUED

worked. We endeavour to continue on this road in order to achieve our goal of Zero Harm.

ENVIRONMENT

Mining by its very nature has an impact on the environment. Tharisa aims to manage and mitigate its impacts in an environmentally responsible manner and to ensure the wellbeing of all stakeholders. Growing regulatory and social pressures, increasing demands for limited and threatened natural resources, and changing energy and water costs all highlight the business imperative of responsible environmental management.

TOTAL ENERGY CONSUMPTION
185 807 MWh
TOTAL CO₂ EMISSIONS (SCOPE 1)
82 829 tCO ₂ e
CUMULATIVE REHABILITATION PROVISION
US\$17.3 m
TOTAL WATER CONSUMPTION
1 290 346 m ³

Environmental management involves taking measures not only to address security of resource supply (through efficiency and recycling), but also to actively minimise the Group's impacts on natural resources and on the communities around its operations. Taking such measures has direct benefits in terms of reduced costs and liabilities, enhanced resource security, and improved security of its licence to operate.

Tharisa Minerals' Environmental Management Programme (EMP) aims to minimise its impact on the natural environment and reduce its consumption of scarce natural resources. Tharisa believes that its commitment to responsible mining and beneficiation helps it achieve its strategic goals and also establishes a sustainable competitive advantage.

A precautionary approach is exercised in all processes and include the exploration, planning, licensing, construction,

operation, closure and rehabilitation stages of all operations and projects.

Tharisa Minerals has the relevant and applicable environmental authorisations required for its operating licence to operate, including an approved and amended EMP in terms of the MPRDA, a positive Record of Decisions in terms of the National Environmental Management Act (No. 107 of 1998) (NEMA) and an Integrated Water Use Licence (IWUL) under the National Water Act (No. 36 of 1998) (NWA).

Tharisa's material environmental matters are:

- Resource management, particularly energy use and water availability
- Land management, including biodiversity conservation, rehabilitation, and closure planning
- Environmental compliance – ensuring that operations remain legally compliant with new and incoming legislation requirements
- Managing and minimising waste streams
- Implementation of the new regulations on financial provisions for rehabilitation – ensuring compliance and appropriate funding mechanisms to adequately provide for concurrent rehabilitation, as well as rehabilitation at mine closure and post-closure stages, to be implemented by February 2021 (as per the South African regulations)
- Climate change and the effects thereof – greenhouse gas emissions and carbon tax.

Water management remains a key challenge for Tharisa Minerals' operations. While water scarcity is currently not a challenge, it does pose a potential constraint on production and future expansion. Water availability is also a concern for local communities. The reliability of current water infrastructure and the long lead-time in rolling out new infrastructure is a risk for current operations and future expansion plans. Tharisa Minerals is also dependent on a reliable and sufficient supply of energy with applicable internal energy efficiency plans in case of emergency or unplanned cut-offs. Interruptions to energy supply have the potential to affect production efficiencies and can affect the safety of workers.

The potential reputational and financial implications of non-compliance with the rapidly evolving environmental regulatory framework are significant, as are the direct and indirect costs of ensuring compliance. Proposed legal developments, among others, that are likely to have a significant impact on the business include the Carbon Tax Bill, the Greenhouse Gas Reporting Regulations, Company level carbon budgets, delays in issuing critical authorisations/permits by applicable competent authorities, newly promulgated regulatory requirements/acts/regulations such as the Disaster Management Act, and the financial provisions for rehabilitation and closure.

Climate change is recognised in the mining industry as one of the most material issues to have a potential impact on the industry's ability to achieve its milestones through the effects on energy prices, access to natural resources, weather-related production disruptions and related impacts on the industry's value chain.

The Board is ultimately responsible for sustainable development and delegates the monitoring of this area to the SHE Committees at both the Tharisa Group and the Tharisa Minerals Board level. The Environmental Coordinator, together with the SHE Manager, are responsible for managing and reporting on environmental performance, impacts and mitigation, as well as ensuring that all operations are legally compliant with the applicable environmental legislation and associated regulations. This is further driven through the functional reporting structure where the SHE Manager reports to the Head: Sustainable Development, who has a direct reporting line to the Group Chief Technical Officer and the Group Chief Operating Officer. The SHE policy is reviewed annually and was most recently revised and signed off by the Chief Technical Officer and union representatives on 30 October 2020.

Employees and contractors receive environmental training at their initial induction and regular refresher courses, internal awareness and job-specific training are part of effectively implementing this policy.

Tharisa Minerals monitors its environmental compliance on an ongoing basis, including the status of its EMPR through Internal and External Environmental Performance Assessments conducted every second year, Environmental Authorisations ('EA') annual internal audits, Integrated Water Use Licence ('IWUL') through annual internal and external WUL audits and environmental impact assessments ('EIAs'). In addition to internal operational compliance, monitoring is conducted as part of the Board's instruction to monitor compliance in areas of safety, occupational health, and environmental management.

Environmental expenditure for measuring, monitoring and mitigating risks and impacts represents a sizeable proportion of the operations' operating and capital budgets. In the year under review, ZAR9 million was spent on environmental management including, among others, pollution control and prevention and environmental operational expenditure (2019: ZAR12.1 million).

WATER MANAGEMENT

Water is used at the Tharisa Minerals operations for milling, beneficiation and for dust suppression during blasting, on haul roads and at ore transfer points. The operation is situated in a water-scarce region of the North West province of South Africa, where water conservation is a priority for all the mining houses in the area. Tharisa Mine has undertaken to educate the community and employees on the importance of conserving water as a natural resource, and security of supply is the mine's prioritised business risk. This is achieved through the use of posters and banners strategically placed inside the mine and in the neighbouring community of Mmaditlhokwa, Lapologang and Mamba, which has assisted in creating a greater awareness of this invaluable resource.

Water for the Tharisa Mine operation is sourced from boreholes strategically drilled within the mining right area, an allocation from the Buffelspoort Irrigation Scheme (strictly for agricultural usage), a portion from Randwater and water pumped from the open pits during mining.

All water is reused and recycled as far as practically possible to achieve effective and efficient utilisation of water resources based on reducing water demand, reusing process water and preventing any discharges into the environment. Dirty and clean water are separated, and Tharisa Minerals implements a hierarchy of water use to ensure that "dirty" or process water is recycled for reuse in the operations before clean water is abstracted from the natural environment.

Water consumption is metered as required by Tharisa's IWUL and regular reporting of the quality and quantities of the mine's water is submitted where applicable, monthly, quarterly and annually or as per the requirements, to the DHSWS.

During drought conditions, which are experienced regionally, the mine experiences a serious drop in water contained in surface impoundments. This has required Tharisa Minerals to be more reliant on groundwater and thus increase its borehole water consumption during the year under review.

Tharisa Minerals submitted an application to amend its IWUL, which includes both minor amendments to the licence, as well as new water uses. The final technical report in support of this amendment application was submitted to the DHSWS in September 2017 and the amended IWUL was received in the second half of 2020.

Tharisa Mine provides water for the nearby community of Mmaditlhokwa for domestic purposes by drilling and equipping boreholes. The pumped water is then piped and purified using on-site purification systems (mini reverse osmosis) located in the community.

Water quality is monitored to assess the impact on the receiving environment, to immediately warn management when mitigation action is required and to measure compliance with the IWUL conditions. Ground and surface water levels and quality are monitored regularly by biomonitoring of aquatic/riverine environments as appropriate and as stipulated in the IWUL conditions.

MATERIALS

Measuring explosives used is important, as explosives contribute to greenhouse gas (GHG) emissions. The following materials were consumed at Tharisa Minerals' operations during the year:

Consumed materials	FY2020	FY2019
Explosives (t)	15 763	10 597

ENERGY

A consistent supply of electricity is critical for efficient operations. Electricity is sourced from Eskom, the state-run electricity utility. From Tharisa Mine's on-site substation, power is distributed throughout the operations. The most significant impact electricity supply interruptions have on the operations are on workplace safety, production efficiencies and diesel consumption with resulting emissions when generators are used to supply electricity to critical functions.

Tharisa Minerals' direct and indirect energy consumption has been calculated as part of its GHG inventory in December 2019. Fuels consumed in operations include diesel, acetylene and liquid petroleum gas (LPG). Diesel was the most used fuel at 38.2 million litres in FY2020 and accounts for 99% of carbon emissions from fuel use.

Tharisa Minerals' indirect energy consumption is from grid electricity. For the year 2020, Tharisa Minerals used 185 807 110 MWh of electricity. Managing energy consumption also reduces GHG emissions since electricity for South African operations is generated mainly from fossil fuels and is included in Scope 2 emissions below.

CARBON EMISSIONS

The GHG inventory for Tharisa Minerals was calculated for the base year in December 2016. These calculations have been updated for FY2019 and will be used to conduct energy optimisation studies and to set practical energy and emission targets to drive reductions in the operations. These calculations are based on the Greenhouse Gas Protocol – Corporate Standard (GHG Protocol), published by the World Resources Institute and World Business Council for Sustainable Development in March 2004.

SUSTAINABILITY CONTINUED

GHG emissions are measured and reported in terms of Scope 1, Scope 2 and Scope 3 emissions. Direct GHG emissions (Scope 1) are emissions from sources that are owned or controlled by Tharisa Minerals. These include the emissions generated by the fuels that are purchased and subsequently combusted by the Tharisa Mine. Energy indirect GHG emissions (Scope 2) are from the consumption of grid electricity.

Other indirect GHG emissions (Scope 3) are the emissions (other than energy indirect GHG emissions) that are created as a result of Tharisa Minerals' activities but occur at sources owned or controlled by another company. These emissions will include the emissions generated by the mining contractors onsite, by the combustion of fuels that they purchase (emissions from explosives) and fuel consumption. Other indirect emissions

can either occur upstream or downstream of business operations. Upstream emissions are typically related to purchased or acquired goods and services. Downstream indirect GHG emissions are those pertaining to sold goods and services.

The GHG inventory for FY2019 is provided in the infographic below. The assessment for FY2020 will be conducted from April 2021.

Scope 1

Tharisa Minerals' direct emissions for FY2019 amounted to 82 829 tCO₂e. Diesel purchased and consumed directly by the mine decreased by 1% in FY2019 when compared to FY2018.

Scope 2

Energy indirect emissions amounted to 182 343 tCO₂e. Electricity consumption increased by 12% between FY2018 and FY2019. This was due to the increase in electricity consumption and an increase in the grid emission factor.

Scope 3

Overall, Tharisa Mine's emissions decreased by 1% to 2 285 059 tCO₂e in FY2019 compared to FY2018. This is due to the increased purchasing of mining equipment, especially large earth moving equipment.

CARBON TAX

South Africa is a significant global emitter of GHG, with an ongoing reliance on fossil fuels. The country is therefore required to honour international emission reduction commitments and reduce its GHG emissions in line with the National Development Plan (NDP) policy framework.

As part of these commitments, the South African Carbon Tax Act was passed in Parliament on February 19, 2019. The Act includes a ZAR120 per tonne carbon tax for primary GHG emitters, a carbon tax on liquid fuels, economic incentives for energy efficiency and carbon offsets to reduce the tax burden and it will be introduced in a phased approach.

Investor sentiment around the impact of the tax has been largely muted for Phase 1, owing to carbon allowances and offsets, which will result in an effective tax rate of between ZAR6 and ZAR48 per tonne. Phase 2, from 2022 onwards, will see a higher tax as the programme aligns with global rates.

Tharisa commissioned a report from advisory firm Deloitte to fully understand the possible impact of carbon tax on the business. The key finding is that:

"Tharisa Minerals will not have a carbon tax liability, as all emissions from diesel consumption will be paid as part of the fuel levy paid at the pump." However, Tharisa has registered to SARS as a carbon taxpayer and will be submitting their Carbon Tax returns annually as prescribed by the South African Revenue Service rules.

AIR QUALITY

Dust originating from mining and processing operations is rigorously and continuously monitored, both in terms of occupational health (dust that may contain silica and that is harmful to health) and fall-out dust (particulate matter/fugitive dust). Fugitive dust is monitored at various locations within the operation, as well as specific sites in neighbouring areas, to ensure compliance with applicable legislation. A dust suppression spray system through the use of water bowsers reduces fugitive dust levels from the respective crushers, conveyors and transfer points. In addition, Tharisa Minerals applies a dust suppressant on its access roads to further reduce the mine's dependence on water for dust suppression.

WASTE MANAGEMENT

Tharisa Minerals manages its activities to ensure compliance with the relevant waste legislation and to minimise its

impact on the natural environment and surrounding communities. Tharisa Minerals' current activities and infrastructure do not trigger the requirements for a Waste Management Licence (WML) as stipulated in the National Environmental Management Waste Act (NEMWA) as they are regulated under the MPRDA. However, for the planned expansion projects an application for a WML will be submitted to the relevant regulatory authorities in case a WML is triggered.

Domestic waste generated at the operations is disposed of in licenced municipal landfill sites. Hazardous waste such as used oil is recycled through specialist service providers while other hazardous waste such as oil contaminated material and used filters is sent to registered waste disposal facilities and safe disposal certificates are obtained.

Mineral waste produced by the operations includes tailings and waste rock. Waste rock is non-ore bearing rock removed in the mining process and is disposed of on waste rock dumps or used to backfill open pit workings to rehabilitate and minimise aesthetic impact. Tailings generally consist of finely milled waste material suspended in water and are disposed of in tailings dams.

These dams are lined appropriately to prevent pollution of groundwater. Groundwater around tailings disposal facilities is closely monitored and groundwater modelling assists in predicting the potential impact of tailings disposal on aquifers.

Ongoing monitoring of surface water runoff and groundwater in the vicinity of the infrastructure alerts operations to any negative impact from waste disposal. Tharisa Minerals has the relevant authorisations for the disposal and storage of both tailings and waste rock.

Waste inventories describing the source, volume, and type of waste generated by each process at the operation, as well as the disposal method, are being managed and give management a better sense of volumes of waste generated onsite to effectively manage the waste generated.

Waste produced	Unit	FY2020	FY2019
Waste rock	Mm ³	16.1	11.1
Tailings	Mm ³	3.7	3.5
Domestic waste	t	637.4	697.6
Hazardous waste: used oil	kℓ	357.8	319.9
Hazardous waste: other	t	356.386	258.9

Tharisa applied for authorisation to upgrade the current sewage treatment plant. The mine has grown significantly from 2012 when the current sewage plant was constructed. The original sewage plant catered for process employees only, as mining was outsourced, with the contractor using septic tanks. The upgrade will incorporate both process and mining in one sewage plant, prompting the proposed authorisation application, which commenced end 2018. In August 2020 Tharisa received the authorisation from DMRE and construction work is scheduled to commence in November 2020. Completion is planned between the 2nd and 3rd quarter of 2021.

BIODIVERSITY

Mining has a direct impact on the physical environment and both mining and beneficiation can affect the biomes in their vicinity. Ensuring that the processes and controls are in place to safeguard the biodiversity in the biomes in which Tharisa Minerals operates is an important aspect of its sustainability model. Biodiversity Action Plans (BAPs) are in place at the operations and were compiled as part of the initial EIA process. Tharisa Minerals is implementing the biodiversity management programmes. The BAPs include commitments to conserve protected areas such as wetlands, zones of endemism, archaeological and heritage sites and protected and endangered species.

The EIA and the EMP include land-use planning that involves engagements with community forums, local municipalities and other affected stakeholders.

Awareness training is planned for employees, contractors and communities regarding sensitive and endangered species around the operation.

ENVIRONMENTAL REHABILITATION

Tharisa Minerals considers the impact of its operations on local landscapes at each stage of the mining cycle from initial exploration to construction, operation and eventual decommissioning and closure. Operations rehabilitate concurrently with ongoing mining activities wherever possible.

The cost of rehabilitation and closure is assessed annually by independent specialists in alignment with the requirements of relevant legislation, EMPR closure commitments and applicable good practice. Financial provision is then made in the form of a financial guarantee, which is submitted to the DMRE.

The total cumulative mine closure and environmental rehabilitation provision for the year 2019-2020 is R 283 520 665

The regulations in terms of NEMA pertaining to financial provision for rehabilitation and closure for prospecting, exploration, mining or production operations were published in November 2015. These regulations have significant financial implications for the mining industry and the Mineral Council of South Africa is engaging with the DMRE around this impact and the industry's concerns.

These regulations require mines to provide for ongoing expenses after mine closure and effectively freeze the existing

provisions for rehabilitation and closure, requiring further provisions to be made from operating expenses. Assessments aligned to these regulations need to be completed and submitted to the DMRE by February 2021.

EMPR AMENDMENT

Due to the ever-evolving environment and the growing mining footprint, Tharisa has again applied for an amendment to the EMPR. The application was triggered by the following activities:

- The need for an increase in diesel capacities
- Change in the current mining waste footprint (tailings and waste rock dumps)
- The need for an additional waste rock storage area
- The inclusion of portion 113, which was not part of the mining right

The application for authorisation in this regard was submitted at the end of 2019. Due to lockdown regulations and the fact that Tharisa had submitted multiple individual applications, the DMRE requested Tharisa to re-submit a consolidated application in August 2020.

HUMAN RESOURCES

Introduction

As emanated from the concluded wage negotiations post FY2018, the Harmonisation Task Team consisting of management and majority trade union stakeholders finalised the terms of reference and submitted its final report to management in October 2020 with harmonised conditions of employment and other issues of mutual interest. The two-year wage agreement concluded in

SUSTAINABILITY CONTINUED

2018 elapsed on 30 June 2020 and management, together with the three recognised unions, began wage negotiations on 8 October 2020. The wage agreement concluded will be effective from 1 July 2020 with a period to be agreed at pending wage negotiations.

With COVID-19 cases being reported in South Africa in March 2020, the Company responded positively by adhering to the World Health Organization's hygienic protocols and constructed a quarantine facility for its employees. COVID-19 communicative forums are held with the union representatives on a bi-weekly basis for information sharing and awareness purposes.

In addition to this approach, the human resources (HR) department has placed a great emphasis on cost-saving initiatives, while still developing and supporting our employees. Some of these approaches include:

Psychometrics

Tharisa has embarked on in-sourcing all psychometric assessments, with a full-time Registered Industrial Psychologist administering, scoring, interpreting and providing feedback on these results. This process has allowed Tharisa to save costs on outsourced services and aid in the HR life cycle of employees with more contextual knowledge.

Culture

Key leadership processes were initiated, with a Tharisa Hero campaign taking centre stage for the conditioning of the new culture. Leadership training was rolled out to the workforce with a merger process initiated for online e-learning, which will allow individuals to complete training at their own pace and minimise operational requirements. Gratitude boards were also launched to make employees aware of the positives that surround us.

Communication

An interactive software programme was launched for all computer users to give up-to-date messages, with state-of-the-art designs and rosters allowing for a more transparent workforce culture and informative content. TV communication, grouped with videos and booklets, have allowed employees to feel part of the culture.



	2019	2020
HDSA	91%	92%
HDSA management (Grade F)	100%	100%
HDSA management (Grade E)	44%	47%
Number of permanent employees	1 747	1 736
Number of permanent contractors	1 079	1 346
Lost days to labour action	0	0
Women	21%	22%
AMCU members	51%	32%
NUM members	10%	12%
Solidarity members	0	29%*

* Not previously recognised

Coaching and counselling

Coaching programmes, as well as one-on-one counselling conducted by the Industrial Psychologist, were initiated for leaders to create peer accountability and continuous development, while creating a safe environment for followers to raise their views with the support of their respective leaders. This also allowed for counselling through hindrances that affected personal well-being and organisational output.

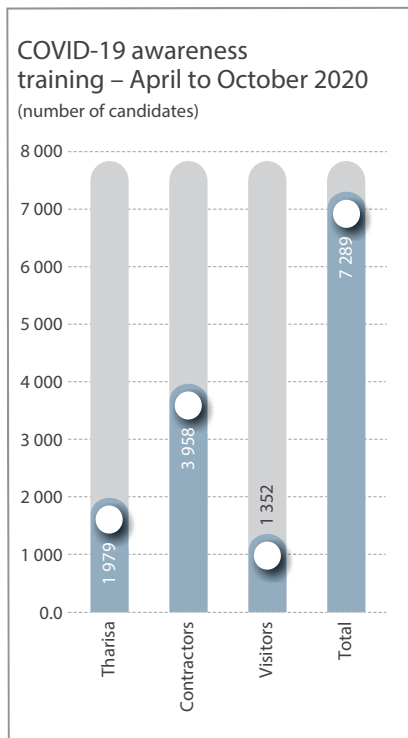
Training

Key training initiatives were launched to facilitate skill transfers such as coaching application modules, communication training, personality insights training, emotional intelligence training, leadership training etc. All of these training initiatives catered for key skill gaps that were identified at the beginning of the year.

HUMAN RESOURCES DEVELOPMENT

COVID-19 awareness training

In compliance with COVID-19 Pandemic Guidelines and Regulations, Tharisa Minerals has trained 7289 of its employees, including contractors and visitors.



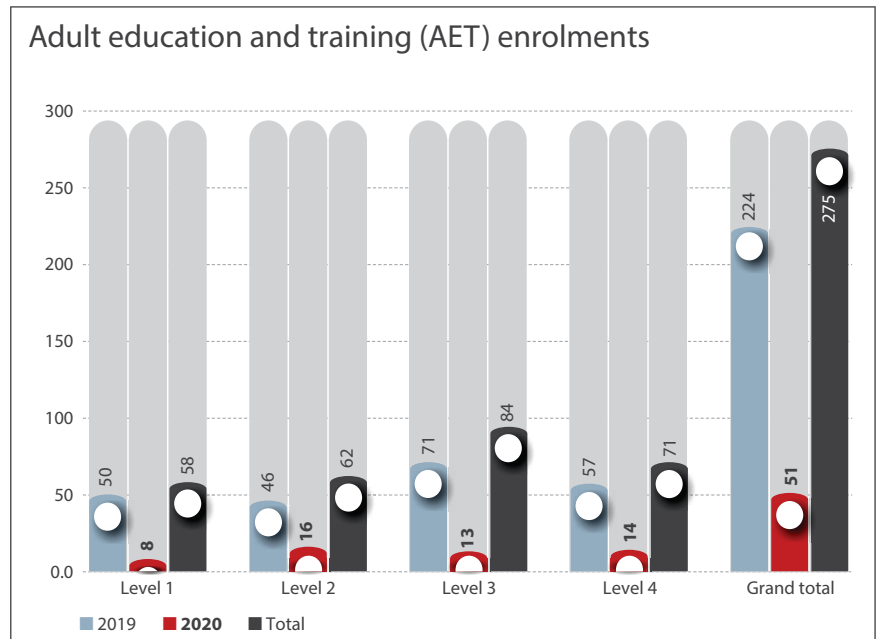
Trackless Mobile Machinery (TMM) Operators Simulator Training Intervention resulted in the drop of transmission abuse by 16% and engine overspeed by 74%. This magnificent intervention is ongoing. In addition, original equipment manufacturers found five Drilling Section Artisans competent in SmartRoc T45 technical maintenance training. In our quest for effectiveness, efficiency, and alignment with the Fourth Industrial Revolution, the TMM Operating Licences

Forty-one employees enrolled for Mineral Processing NQF Level 2 Learnership with the Mining Qualifications Authority, and 40 of them successfully completed the course.



issuing system was automatised through the introduction of an electronic workflow system.

Adult Education enrolment for the year 2020 has dropped significantly by 23% as compared to 2019. This drop is partly due to the effects of the COVID-19 pandemic.



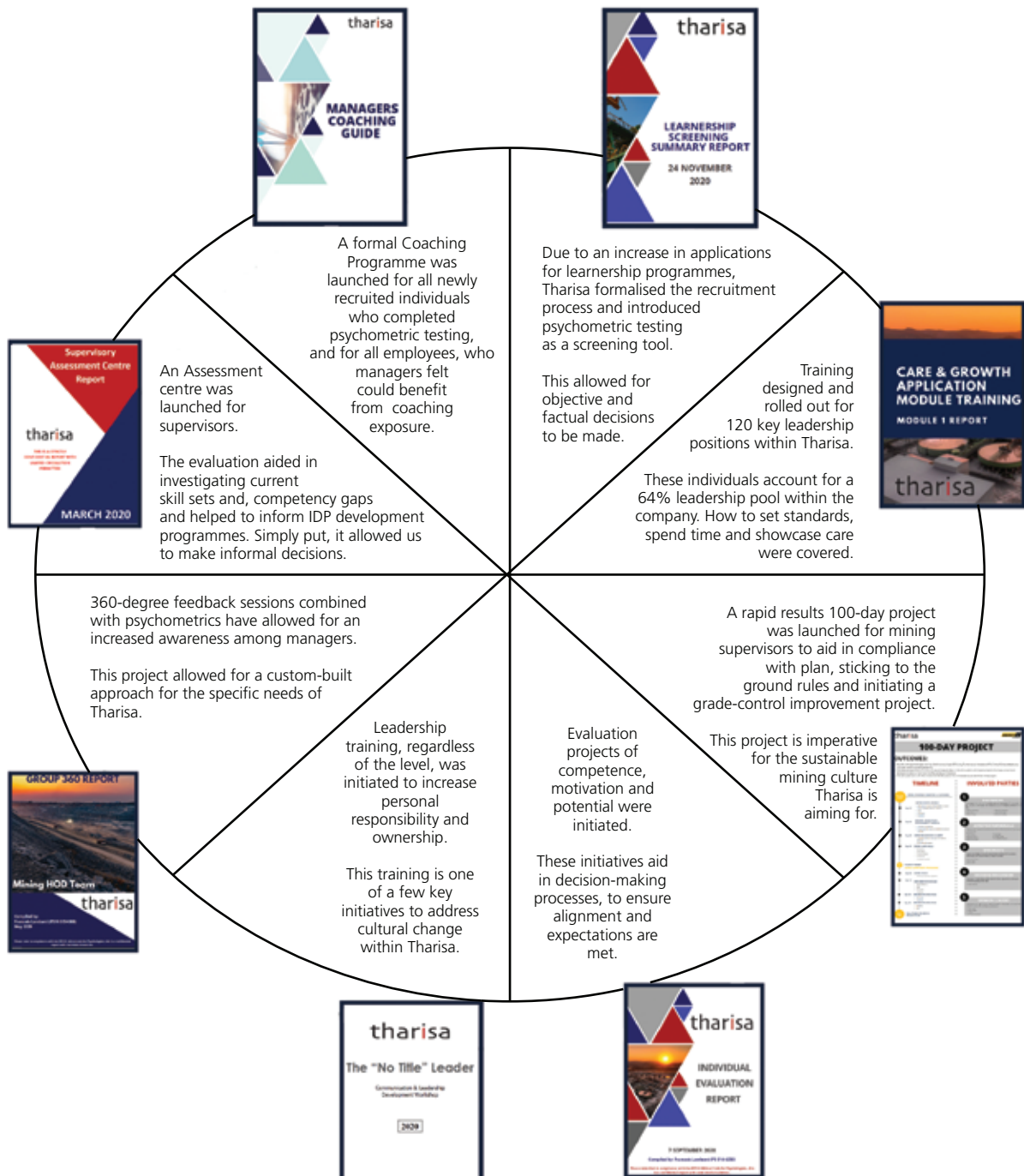
EMPLOYEE COMPETENCY DEVELOPMENT

Thirteen Mining Production Supervisors completed a Programme in Technical and Surface Mining Operations in 2020 with five having received completion with distinction. To ensure the availability of critical skills and leadership, three middle management employees are studying a Management Development Programme. In addition, 12 employees are on Six Sigma (Black Belt) training. Tharisa funded 13 employees to study at different tertiary institutions in South Africa.

SUSTAINABILITY CONTINUED

NEW INITIATIVES

Our commitment towards sustainable growth, an empowered workforce and an invested employee culture are but a few of the driving inspirations behind these initiatives.



COMMUNITY UPSKILLING PROJECTS

In addition to providing key donations in the surrounding communities, Tharisa has also been focused on uplifting the community through skill transfer initiatives, socio-awareness interventions and supporting resources for navigation of everyday life.

- GARDEN TRAINING INITIATIVE**


- ENVIRONMENT UPSKILLING**


- HOSPITALITY TRAINING**




- SCHOOL CLOTHES DONATIONS**

- BIO DIVERSITY AWARENESS**


- CHRISTMAS DONATIONS**



MINERAL RESOURCE AND MINERAL RESERVE STATEMENT

INTRODUCTION

The Mineral Resource and Mineral Reserve of Tharisa Minerals was prepared under the guidance of the Competent Person (CP) in accordance with the requirements of the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, 2016 (SAMREC Code). The estimates are as of 30 September 2020.

The previous declaration of the Mineral Resource and Mineral Reserve was dated September 2019. The current Mineral Resource declaration relies on the geological model and resource model of May 2020 for the MG Chromitite Layers, the June 2018 model for the UG1 Chromitite Layer and the end of FY2020 mining faces. The Mineral Reserve declaration is based on the latest pit design and LOM schedule.

Overview

Since the commencement of operations at the Tharisa Mine, additional geological information was obtained from observation in the operating pits and resource drilling. The Mineral Resource and Mineral Reserve information in the tables on the following pages are based on information compiled by the CP.

Definitions

The declaration of the Mineral Resource and Reserve was undertaken in terms of the guidelines of the SAMREC Code (2016 edition).

Location

The Tharisa Mine is located 35 km east of Rustenburg and 120 km northwest of Johannesburg in the North West Province of South Africa.

Statement by Competent Person

Ken Lomborg of Pivot Mining Consultants Proprietary Limited (previously Coffey Mining South Africa Proprietary Limited) (Island House, Constantia Office Park, Cnr 14th Ave and Hendrik Potgieter Str, Johannesburg, 1709), is the CP for the Mineral Resource declaration, and is registered with the South African Council for Natural Scientific Professions (Private Bag X540, Silverton, 0127, Gauteng province, South Africa), registration number 400038/01. He holds BSc (Hons) Geology, BCom and MEng (Mining engineering) degrees. Mr Lomborg is a geologist with 35 years' experience, including the Mineral Resource estimation in respect of PGM and chromitite in the Bushveld Complex.

The Mineral Reserve declaration is by Jaco Lotheringen of Ukwazi Mining Studies (2nd Floor, Block D, Southdowns Office Park, 22 Karee Street, Southdowns, Centurion, 0157), who is the CP for the Mineral Reserve declaration. He holds a BEng (Mining). He is registered with the Engineering Council of South Africa (ECSA, Private Bag X691, Bruma, South Africa), registration number 20030022. The current address of the CP is Unit DSF01, 2nd Floor, Block D, Southdowns Office Park, 22 Karee Street, Southdowns, Centurion, 0157. He is a principal mining engineer with appropriate experience in the estimation, assessment and evaluation of relevant Mineral Reserves based on the class of deposit and mining methodology.

The Company has written confirmation from Messrs Lomborg and Lotheringen that the information disclosed is in compliance with the SAMREC Code (2016) and that they have consented to the inclusion of this information in the form and context in which it appears.

Mining rights summary

Tharisa Minerals holds a mining right, granted by the Department of Mineral Resources and Energy (DMRE) (then the Department of Minerals and Energy (DME)) in terms of MPRDA on 19 September 2008, for a period of 30 years, to various portions of the farm 342 JQ and the whole of the farm Rooikoppies 297 JQ. On 13 August 2009, the mining right was registered in the Mining and Petroleum Titles Registration Office, under Reference No 49/2009(MR). In July 2011, an application was granted

in terms of section 102 of the MPRDA, to amend the existing mining right by the addition of Portions 96, 183 and 286 of the property 342 JQ to the mining right 49/2009(MR).

Mineral Resource

Geology and mineralisation

The Tharisa Mine is situated on the southwestern limb of the Bushveld Complex, one of the world's largest layered mafic intrusions, which hosts layers rich in PGM, chromium and vanadium, and constitutes the largest known resource of these metals. The Tharisa Mine is underlain by the Middle Group (MG) and Upper Group (UG) Chromitite Layers straddling the boundary between the Marikana and Rustenburg facies.

The MG Chromitite Layers outcrop is on the property, striking roughly east to west with a gentle change in strike to northwest-southeast in the far west. The layers dip at between 9° and 15° to the north. Towards the western extent of the outcrop, the dip is steeper. The stratigraphy typically narrows to the west and the dip steepens. The dip typically shallows out at depth across the extent of the mine area.

The MG Chromitite Layer package consists of five groups of chromitite layers, being the MG0 Chromitite Layer at the bottom, followed by the MG1 Chromitite Layer, the MG2 Chromitite Layer (sub-divided into A, B and C Chromitite Layers), the MG3 Chromitite Layer and the MG4 Chromitite Layer (sub-divided into 4(0), 4 and 4A



Figure 1: Location of the Tharisa Mine

Chromitite Layers). The layers between the chromitite layers frequently include stringers or disseminations of chromite. The MG Chromitite Layers at the Tharisa Mine are a typical stack of tabular deposits.

The structural interpretation of the Tharisa Mine geology is based on the aeromagnetic data, the available drilling and observations in the operating open pits. The only significant fault is a steeply dipping northwest-southeast trending normal fault with a downthrow of less than 30 m to the east. This fault occurs only on the far north-eastern corner of the property and will have little effect on mining of the MG Chromitite Layers on the mine. A northwest-southeast sub-vertical dyke of some 10 m thickness was exposed in the east pit. The dyke is not expected to have a major impact on mining. The other major feature of interest is the Spruitfontein upfold or pothole, which is located on the properties immediately west of the mine. It affects the UG2 Chromitite Layer and the rest of the critical zone below. No new major structural features were exposed by the current mining operation.

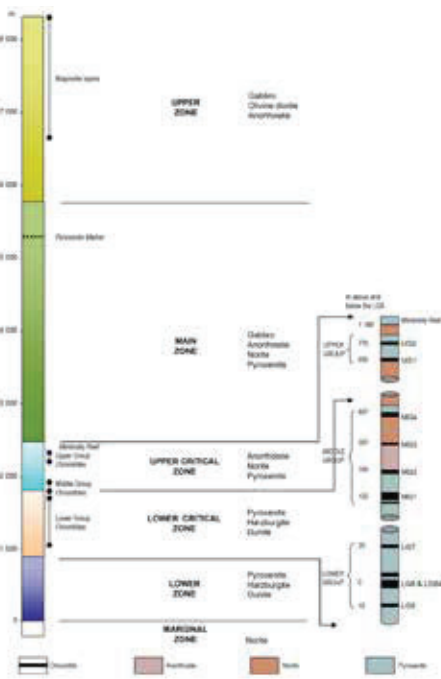


Figure 2: Stratigraphic map

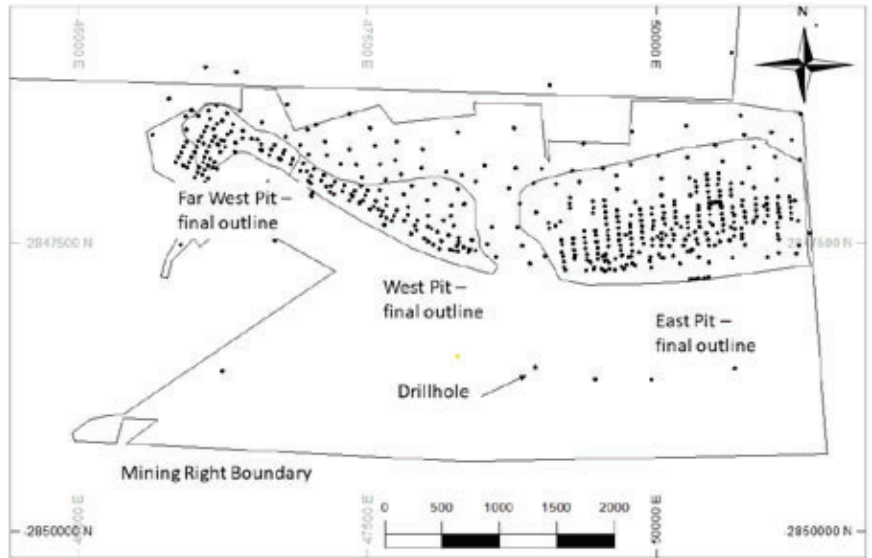


Figure 3: Image of the Tharisa Mine plan showing borehole locations and the extent of the open pits.

The Mineral Resource estimate was completed over the mining right of Tharisa Minerals to a depth of 750 m for the MG Chromitite Layers. The UG1 Chromitite Layer Mineral Resource estimate was limited to the area within the planned pit perimeter.

The previous declaration of the Mineral Resource and Mineral Reserve was dated September 2019. The current Mineral Resource declaration relies on the geological model and resource model of May 2020 for the MG Chromitite Layers, the geological and resource model of June 2018 for the UG1 Chromitite Layer and the end of FY2020 mining faces.

Additional diamond drill boreholes were added to the database. These boreholes are located predominantly in the west and far west parts of the mine. Most significantly the geological interpretation was reviewed with emphasis on the west and far west pit areas. The geological interpretation includes the construction of three-dimensional models for each of the units estimated.

The results from the samples confirmed the geological assumptions and the grades of the various chromitite layers, providing additional confidence in the mining operations. Observations on the operation confirm the details observed from the drilling. In-pit drilling continues for the purposes of mining operations, mine planning and grade control.

Prior to the estimation, the data was collated and verified with the quality controls for logging, sampling and assays being used. The Mineral Resource estimate was undertaken on each chromitite layer and interburden independently. Each element was estimated separately by inverse distance weighting (power2). The classification of the Mineral Resource is predominately determined by the distribution of the boreholes with the consideration of the complexity of the geology, especially in the extreme western side of the property. Changes to the Mineral Resource declaration are due to the production during the previous financial year and a revised interpretation in the west and far west. The estimated thicknesses in these areas is slightly lower, mostly affecting the Indicated and Inferred Mineral Resources in these areas.

Some decrease in tonnage is also attributed to a re-evaluation of the material immediately adjacent to the MG3 Chromitite Layer due to consideration of the revised economics related to these units and the realistic prospects of eventual economic extraction.

Tharisa Minerals Resource at 30 September 2020 is reported inclusive of Mineral Reserve. The drilling, which was located ahead of the open pit mining faces, has allowed the CP to declare additional Measured Mineral Resources.

MINERAL RESOURCE AND MINERAL RESERVE STATEMENT CONTINUED

As the drilling has not occurred beyond the previously declared Indicated Mineral Resource, the Indicated Mineral Resource was reduced. Additional drilling further down dip is expected to allow the extension of the Indicated Mineral Resource.

As a result of the additional information, the delineation boundary was moved northwards and down dip, increasing the reported Measured Mineral Resource, which now underlies the total footprint of the planned open pit. The Indicated Mineral Resource was decreased as no additional information was obtained ahead of this boundary. Additional work was undertaken on the MG0 Chromitite Layer which resulted in a redefinition of the MG0 package into three separate units. These were reclassified as Indicated Mineral Resource. Work on the area in the far west was largely responsible for the decrease in the reported tonnage of the Mineral Resource.

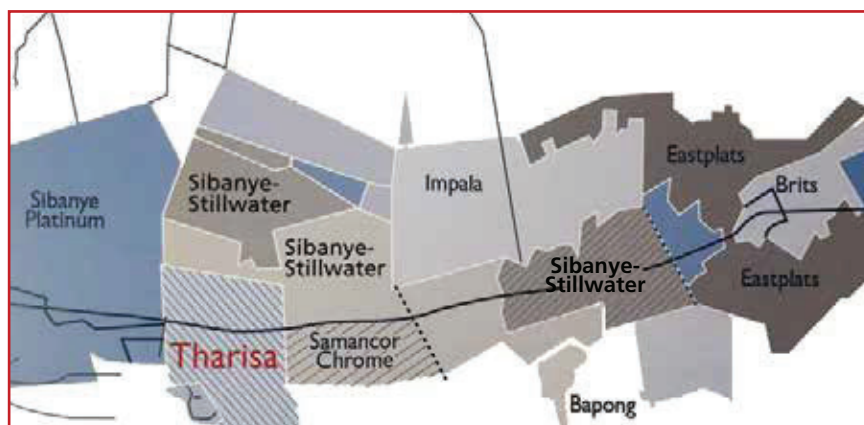


Figure 4: Map of the location of the Tharisa Mine

Mineral resource estimate

2020	Unit	Measured	Indicated	Inferred	Total
Tonnes	Mt	105.69	85.74	668.15	859.58
6PGE + Au grade	g/t	1.77	1.50	1.52	1.55
5PGE + Au grade	g/t	1.69	1.43	1.45	1.47
3PGE + Au grade	g/t	1.32	1.07	1.12	1.14
Cr ₂ O ₃ grade	%	22.66	22.60	19.26	20.01
Contained 6PGE + Au	Moz	6.01	4.14	32.63	42.79
Contained 5PGE + Au	Moz	5.73	3.83	31.10	40.67
Contained 3PGE + Au	Moz	4.50	2.95	24.13	31.57
Contained Cr ₂ O ₃	Mt	23.95	19.38	128.67	172.00
2019	Unit	Measured	Indicated	Inferred	Total
Tonnes	Mt	111.51	87.99	691.20	890.70
6PGE + Au grade	g/t	1.73	1.48	1.52	1.54
5PGE + Au grade	g/t	1.67	1.37	1.47	1.49
3PGE + Au grade	g/t	1.29	1.06	1.12	1.14
Cr ₂ O ₃ grade	%	22.40	21.72	19.79	20.31
Contained 6PGE + Au	Moz	6.18	4.18	33.86	44.22
Contained 5PGE + Au	Moz	5.99	3.87	32.67	42.54
Contained 3PGE + Au	Moz	4.61	3.00	24.92	32.53
Contained Cr ₂ O ₃	Mt	24.98	19.11	136.79	180.88

MINERAL RESERVE DECLARATION

Mineral Reserve declaration

The Mineral Reserve estimate for September 2020 was based on a revised and updated LOM plan for the open pit. This estimation was underpinned by an updated mining model and incorporates the current economic conditions, current on-mine mining methodology and survey depletion into the Whittle optimisation. Appropriate technical aspects were considered in the mine design and schedule as basis for the Mineral Reserve estimate, including economic pit limits, geotechnical parameters, mining methodology and sequence, pit access, ramp placement, equipment capability, production rates and practical mining considerations. The mining-related modifying factors applied included geological losses, mining losses, mining dilution and metallurgical recovery. During the LOM process a reconciliation was done as basis for the modifying factors to be applied during the LOM process. The reconciliation completed with the below modifying factors on the different pits was deemed appropriate and formed the basis of the Mineral Reserve estimation.

Parameter	Unit	East pit	West pit	Far-west pit
MG4A dilution thickness	m	0.53	0.51	0.51
MG4 dilution thickness	m	0.83	0.71	0.71
MG3 dilution thickness	m	0.75	0.60	0.60
MG2 dilution thickness	m	1.30	0.83	0.83
MG1 dilution thickness	m	0.48	0.44	0.44
Mining losses	%	6.0	6.0	10.0
Geological losses	%	5.0	7.5	15.0

The variance between the 2019 and 2020 Mineral Reserve estimation is due to:

- Depletion
- Updated MG3 mining cut wireframes
- Geological structures.

The LOM plan was designed to extract the MG Chromitite Layers, firstly from open pit mining to a maximum depth of 220 m and subsequently from underground extraction (MG2 and MG4 Chromitite Layers) by means of a bord and pillar mining method. During 2019, a pre-feasibility study was done for the underground mining area and remained unchanged for the 2020 Mineral Reserve process.

The Mineral Reserve tonnage remained unchanged. Pit design and updated MG Chromitite Layers accounted for a 4.3 Mt increase, which was offset by a depletion of Mineral Reserves from mining of 4.3 Mt.

An increase in PGM (3PGE + Au) grade of 3.2% was estimated and a decrease of 1.7% in Cr₂O₃ grades was estimated. No Inferred Mineral Resources were included in the open pit LOM plan. Inferred Mineral Resources formed part of the underground mine plan, but were not included as part of the Mineral Reserve estimate. If excluded from the underground mine plan, the underground project may not be feasible.

The open pit LOM schedule was based on a targeted ROM production rate of 5.5 Mtpa over a period of 14 years. The final ore from the open pit is produced during 2034. The open pit LOM increased by one year due to an updated MG3 mining cut and a reduced ore production rate compared to the 2019 mine plan. The open pit transitions to underground mining were from 2031 onwards.

The Mineral Reserve declared for the underground project was derived from the Measured and Indicated Mineral Resource portion included as part of the underground LOM plan. The underground section was scheduled to ramp up during the final phase of the open pit operation. A pre-feasibility study was completed in 2013, with an update of the study for the underground mining of the MG2 and MG4 Chromitite Layers from the final open pit highwall being undertaken during 2019. The Mineral Reserve for the underground section extends to a maximum depth of 270 m. However, the underground LOM can be expected to extend to a maximum depth of 700 m, pending further fieldwork and study work.

The 2021 Mineral Reserve estimate was based on the approved Mineral Resource models, modified mining models and mine designs. An updated LOM production schedule was completed for the open pit as basis for the 2021 Mineral Reserve estimate. The Proved Mineral Reserve was derived from the Measured Mineral Resource and the Probable Mineral Reserve from the Indicated Mineral Resource. No Probable Mineral Reserve was derived from the Measured Mineral Resource.

	Unit	Proved	Probable	Total
Open pit 2020				
Tonnes	Mt	66.2	6.1	72.4*
5PGE + Au grade	g/t	1.40	1.09	1.37
3PGE + Au grade	g/t	1.08	0.84	1.06
Cr ₂ O ₃ grade	%	18.43	14.09	18.06
Contained 3PGE + Au ⁽¹⁾	Moz	2.2	0.3	2.4
Contained Cr ₂ O ₃ ⁽²⁾	Mt	12.2	0.9	13.1
Open pit 2019				
Tonnes	Mt	64.5	7.8	72.4
5PGE + Au grade	g/t	1.35	1.09	1.32
3PGE + Au grade	g/t	1.03	0.82	1.01
Cr ₂ O ₃ grade	%	18.9	15.2	18.5
Contained 3PGE + Au ⁽¹⁾	Moz	2.1	0.2	2.4
Contained Cr ₂ O ₃	Mt	12.2	1.2	13.4

MINERAL RESOURCE AND MINERAL RESERVE STATEMENT CONTINUED

Underground 2020	Unit	Proved	Probable	Total
Tonnes	Mt	8.1	17.1	25.1
5PGE + Au grade	g/t	1.57	1.62	1.6
3PGE + Au grade	g/t	1.23	1.24	1.24
Cr ₂ O ₃ grade	%	19.3	20.6	20.1
Contained 3PGE + Au ⁽¹⁾	Moz	0.3	0.7	1.0
Contained Cr ₂ O ₃ ⁽²⁾	Mt	1.6	3.5	5.1
Underground 2019	Unit	Proved	Probable	Total
Tonnes	Mt	8.1	17.1	25.1
5PGE + Au grade	g/t	1.57	1.62	1.6
3PGE + Au grade	g/t	1.23	1.24	1.24
Cr ₂ O ₃ grade	%	19.3	20.6	20.1
Contained 3PGE + Au	Moz	0.3	0.7	1.0
Contained Cr ₂ O ₃	Mt	1.6	3.5	5.1
Total open pit and underground 2020	Unit	Proved	Probable	Total
Tonnes	Mt	74.3	23.2	97.5
5PGE + Au grade	g/t	1.42	1.48	1.43
3PGE + Au grade	g/t	1.09	1.13	1.10
Cr ₂ O ₃ grade	%	18.5	18.9	18.6
Contained 3PGE + Au ⁽¹⁾	Moz	2.5	1.0	3.4
Contained Cr ₂ O ₃ ⁽²⁾	Mt	13.8	4.4	18.2
Total open pit and underground 2019	Unit	Proved	Probable	Total
Tonnes	Mt	72.6	24.9	97.5
5PGE + Au grade	g/t	1.38	1.45	1.40
3PGE + Au grade	g/t	1.05	1.11	1.07
Cr ₂ O ₃ grade	%	18.9	18.9	18.9
Contained 3PGE + Au	Moz	2.4	0.9	3.4
Contained Cr ₂ O ₃	Mt	13.8	4.7	18.5

* Due to rounding up of the figures, some totals may not add up in the table

⁽¹⁾ Average PGE process plant recovery estimates range from 78.9% to 83.9%

⁽²⁾ Average Chrome yield estimates range from 33.9% to 37.8%

Material risks

Year-on-year deferral of waste could have a substantial impact on the open pit Mineral Reserve and sustained delivery of chrome and PGM product. Waste stripping production risks have been addressed significantly with an increase in waste removal of 44% from the previous year, but is still below production targets by 23% from the 2019 budget.

An auditable reconciliation process could add significant value to the appropriate understanding of the systematic contribution of process plant recoveries and dilution and losses on the mining operations related to plant feed grades, mining methodology and equipment allocation to sustain cost-effective production performance. Currently plans are being investigated to address this risk.

Current long-term PGM and chrome prices were adopted with a full optimisation process completed for the open pit area from which the economic pit limit was selected. Sustained low commodity prices over the long term materially influence the overall value of the operation and can have a material impact on the size of the open pit portion of the Mineral Reserve.

Due to the selection of an ultimate pit with value and extended life strategy, sustained low-cost and efficient mining, with specific focus on waste backfill and processing recoveries, are critical to creating sustained value from the open pit operation.

Reporting codes and compliance

The Mineral Resource and Mineral Reserve estimates for Tharisa Minerals are stated in accordance with the principles and guidelines of the SAMREC Code. All the required regulatory permits have been obtained or applied for. The directors are unaware of any legal proceedings or impediments to the continued operation of Tharisa Mine.

Environmental management and funding

Tharisa Minerals has obtained all environmental approvals and authorisations required for the operation of the Tharisa Mine. The estimated long-term environmental provision, comprising rehabilitation and mine closure, was based on the Group’s environmental policy, considering the

current technological, environmental, and regulatory requirements. Details of the Group’s environmental liability and funding can be found in notes 18 and 26 of the consolidated financial statements.



BOARD OF DIRECTORS



LOUCAS POUROULIS (82)
Chairman
 Appointed:
27 October 2010
 Mining and Metallurgical Engineering (Hons)
 (National Technical University, Athens, Greece)



Loucas Pouroulis is the Executive Chairman of the Group, with responsibility for the development of strategy and the identification of new opportunities for the Group. He began his career in Cyprus in 1962, and his initial post-graduate training took place in Germany, Sweden and Cyprus. Loucas is trained as a mining and metallurgical engineer and has more than 50 years' experience in mining exploration, project management, financing and production in open pit and underground mining operations, including PGM and gold mines. He immigrated to South Africa in 1964 and joined Anglo American, where he rose rapidly through the management ranks and received extensive training and experience. In 1971, Loucas began to pursue his own mining interests, initially focusing on gold mining opportunities considered uneconomical by the majors. By the 1990s, he had established Petra Diamonds and, since 2000, has established among others, Eland Platinum, Tharisa, Kameni, Keaton Energy, Salene Chrome and the Karo Mining Group.



PHOEVOUS POUROULIS (46)
Chief Executive Officer (CEO)
 Appointed:
27 October 2010
 Bachelor of Science and Business
 Administration (Boston University, USA)



Phoevos Pouroulis is the Chief Executive Officer of the Group, with responsibility for overall strategy and management. Phoevos has held various senior managerial and operational positions in his career spanning more than 18 years. He has extensive experience in project management, mining design, commissioning and mining operations, including coal, chrome and PGM mines, having been involved in South Africa's mining industry since 2003. He has served as Commercial Director for Chromex Mining and was a founding member of Keaton Energy. Phoevos is currently the President of the International Chromium Development Association ('ICDA').



MICHAEL JONES (58)
Chief Finance Officer (CFO)
 Appointed:
30 January 2013
 Bachelor of Accounting (University of KwaZulu-Natal, Pietermaritzburg, South Africa); CA (SA);
 Member of the South African Institute of Chartered Accountants



Michael Jones is the Chief Finance Officer of the Group and is responsible for the overall financial operation, funding and the financial reporting management of the Group. Michael has more than 11 years' executive financial management experience in the mining sector. In addition, he has 20 years' experience in investment banking, focusing on mergers and acquisitions and capital raisings of both equity and debt.



DAVID SALTER (62)
Lead independent non-executive director
 Appointed:
27 October 2010
 Bachelor of Science Engineering (Hons); PhD in
 Mineral Technology (Imperial College, London);
 Fellow of the South African Institute of Mining and Metallurgy (FSAIMM)



David Salter has more than 30 years' experience in the development and management of mining companies, including both open pit and underground PGM mining operations. David's most recent public company roles were Chairman of Keaton Energy until its sale to Wescoal in 2017, and Managing Director of Eland Platinum until its sale to Xstrata in 2007. He is a non-executive director of a number of unlisted mining companies.



ANTONIOS DJAKOURIS (73)
Independent non-executive director
 Appointed:
11 October 2011
 Chartered Accountant and Fellow of the Institute
 of Chartered Accountants in England and Wales



Antonios Djakouris is a qualified Chartered Accountant and has over 30 years' experience as a manager and director, having served in the accounting profession and in a number of posts with the Bank of Cyprus, including internal audit, credit review and retail banking, and as Group General Manager in charge of operations. From 2003 to 2009, he directed the Bank of Cyprus group's overseas operations, including banks in the United Kingdom, Australia, Russia, Romania and Ukraine. Antonios currently serves in an honorary capacity on the Board and Executive Committee of the Cyprus Anti-Cancer Society, one of the largest charities in Cyprus.

- Audit Committee
- Risk Committee
- Nomination Committee
- Remuneration Committee
- Chairman
- By invitation
- Safety, Health and Environment Committee
- Social and Ethics Committee
- New Business Committee



OMAR KAMAL (48)
Independent non-executive director
 Appointed:
11 June 2014

Bachelor in Economics and Political Science (University of Jordan); PhD in Management (Finance and Banking) (Coventry University in collaboration with Harvard Islamic Finance Programme at Harvard University)



Omar Kamal has more than 26 years' international experience in banking, investment management, strategic advisory services and high-growth entrepreneurship. He has served at high-growth companies and multibillion-dollar corporates in various executive capacities.

Until August 2015, he was the co-Group CEO of a business group owned by a prominent family with global reach based in Geneva, Switzerland. Prior to that he was one of the initial founders and acted as the CIO of a regional bank in the Middle East and, before that, was a partner with Ernst & Young on the advisory and consulting side.

Omar continues to serve on the boards of a number of listed and unlisted companies, among others, Cambridge Scientific Innovation (CSI), Cybsafe, Crowdemotion, Quiq and Arab Bank Switzerland as Chairman of the Fintech Committee. In the same context, Omar makes a personal strategic contribution towards digital innovation and transformation.

Omar is a member of the Young President Organisation (YPO) and a Learning Chair of the London Stars Chapter in the UK.



CAROL BELL (62)
Independent non-executive director
 Appointed:
22 March 2016

Master of Arts in Natural Sciences (University of Cambridge); PhD Archaeology (University College, London)



Carol Bell has more than 40 years' experience in the energy and allied industries, including a successful career as a Managing Director of Chase Manhattan Bank's Global Oil & Gas Group, Head of European Equity Research at JP Morgan and several years as an equity research analyst in the oil and gas sector at Credit Suisse First Boston and UBS Phillips & Drew. Carol began her career in corporate planning and business development at Charterhouse Petroleum and RTZ Oil and Gas.

Carol has broad public company experience and currently serves on the boards of TransGlobe Energy and Bonheur. She is also a non-executive director of the BlackRock Energy and Resources Income Trust and serves on the Board of the Development Bank of Wales and The Football Association of Wales. Carol is one of the founder-directors of Chapter Zero, a network for non-executive directors to engage with climate risk. She is also Vice President the National Museum of Wales, Vice Chair of the Wales Millennium Centre, Chair of the British School at Athens, and Treasurer of the Institute for Archaeo-metallurgical Studies.



ROGER DAVEY (75)
Independent non-executive director
 Appointed:
1 June 2017

Master of Science in Mineral Production Management (Royal School of Mines, Imperial College, London); Master of Science in Water Resource Management and Water Environment (Bournemouth University); Associate of the Camborne School of Mines ('ACSM'); Chartered Engineer; European Engineer; Member of the Institute of Materials, Minerals and Mining ('IMMM')



Roger Davey, a British national, has more than 40 years' operational experience at senior management and director level in the mining industry in South America, Africa and Europe. His experience at senior management level includes financing, feasibility studies, construction, development, commissioning and operational management of both underground and surface mining operations in gold and base metals.

Previous positions include being the Senior Mining Engineer at NM Rothschild (London) (1998 to 2010) in the Mining and Metals project finance team, where he had responsibility for the assessment of the technical risk associated with current and prospective project loans; Director, Vice-President and General Manager of Minorco (AngloGold) subsidiaries in Argentina (1994 to 1997), where he was responsible for the development of the Cerro Vanguardia open pit gold-silver mine in Patagonia; Operations Director of Greenwich Resources plc, London (1984 to 1992), with gold interests in Sudan, Egypt and Australia; Production Manager for Blue Circle Industries in Chile (1979 to 1984); and various production roles from graduate trainee to mine manager, in Gold Fields of South Africa (1971 to 1978).

Roger serves on a number of boards, including Atalaya Mining Plc, Atalaya Riotinto Project UK, Ltd, Atalaya Touro (UK) Ltd, Central Asia Metals plc, Piazza Barnalof Mgt Ltd and Highfield Resources Limited.



ZHONG LIANG HONG (56)
Non-executive director
 Appointed:
1 April 2018

Bachelor (Ferrous Metallurgy) (Shanghai Metallurgy Technology Academy)



Zhong Liang Hong is a Chinese national with 34 years' experience in commodity trading. Representing Fujian Wuhang Stainless Steel Co. Limited and Huachuang Singapore Pte Limited, Zhong has a strong understanding of analysis and forecasting of commodity markets and end-user demand. He started his career in 1980 at the Baosteel Group. In 2001 he founded Shanghai Hongli Metal Material Co. Limited and is still the Chairman of this company. In 2002 he expanded his business to import manganese into China and became the sole manganese agent in China acting for BHP Billiton.



VANESE WING YE CHU (35)
Non-executive director

Appointed:
17 September 2020

Bachelor of Science (Operations Research and Industrial Engineering) (Cornell University, New York); Member of the Hong Kong Institute of Certified Public Accountants



Vaneese Wing Ye Chu, a Chinese national, has more than 10 years' experience in mergers and acquisitions, investments and management.

She is a Senior Manager of NWS Infrastructure Management Limited, a wholly owned subsidiary of NWS Holdings Limited ('NWS') (Hong Kong Stock: 659). Before joining the NWS group, she worked at KPMG Corporate Finance Limited.

CORPORATE GOVERNANCE

INTRODUCTION

Tharisa is incorporated in Cyprus and is therefore subject to Cyprus Companies Law. With a primary listing on the JSE under the general mining sector, Tharisa is subject to the JSE Listings Requirements and the requirements of the South African Code of Corporate Practices and Conduct laid out in King IV. Tharisa also has a secondary standard listing of its depository interests on the London Stock Exchange ('LSE') and is subject to the LSE Listing Rules and Disclosure and Transparency Rules applicable to a secondary standard listing. In addition, Tharisa listed on the A2X exchange in South Africa with effect from 6 February 2019. Tharisa's primary listing on the JSE and secondary standard listing on the main board of the LSE remain unaffected by the secondary listing on A2X. The A2X is a licensed stock exchange authorised to provide a secondary listing venue for companies and is regulated by the South African Financial Sector Conduct Authority in terms of the Financial Markets Act 19 of 2012. The listing on A2X provides an opportunity to improve liquidity and attract new investors through the lower trading costs offered by this trading platform. There are no additional regulatory requirements or ongoing obligations to comply with.

The Company has its registered office in Cyprus and is subject to Cyprus disclosure and transparency legislation, Cyprus market abuse legislation and the European Commission Market Abuse Regulation EU596/2014, and for such purposes considers Cyprus as its home state, where such term requires interpretation. The LSE Listing Rules invoke the application of certain provisions of the UK Disclosure and Transparency Rules where similar provisions do not exist under the national law of its home state. The Company considers that the requirements under the UK Disclosure and Transparency Rules are met under corresponding national law, but nonetheless the Company aims to apply the relevant UK Disclosure and Transparency Rules applicable to the Company in circumstances where there may be a deemed discrepancy. For the purposes of the present corporate governance report, a reference to Disclosure and Transparency Rules shall be a joint reference to applicable UK and

Cyprus transparency rules. While the UK Corporate Governance Code published by the Financial Reporting Council does not apply to the Company, the Board recognises the importance of good governance and considers the principles and recommendations contained therein.

The Board is fully committed to the fact that accountability, integrity, fairness, transparency and integrated thinking are essential to the Group's long-term sustainability and to its ongoing ability to create value for investors and other stakeholders. It endorses and accepts full responsibility for the application of the principles necessary to ensure that effective corporate governance is practised consistently throughout the Group.

In discharging this responsibility, the Board strives to comply with the requirements set out in King IV. The Company's disclosure on its application of King IV principles is set out on page 69.

The Board believes that the Company is compliant with the Cyprus Companies Law and the Company's Articles of Association.

In terms of King IV, independent non-executive directors serving for more than nine years are subject to a rigorous annual review by the Board to evaluate their continued independence. Having served for more than nine years, David Salter and Antonios Djakouris' independence was considered and reviewed by the Board during the year under review. In doing so, the Board considered and assessed the presence or absence of any interest, position, association or relationship which could potentially influence or cause bias in their decision-making process and concluded that it was satisfied that there were no such factors present that impaired their independence. Both David Salter and Antonios Djakouris continued to bring an independent and objective view distinct from that of shareholders and management and continue to be classified as independent non-executive directors.

The Board is also of the opinion that the Company is compliant with the JSE Listings Requirements and King IV in all

material respects, other than having an Executive Chairman and not having an in-house independent internal audit function. The former has been mitigated by the appointment of David Salter as the Lead Independent Director and the latter by the appointment of Deloitte as the internal auditor of the Group.

BOARD COMPOSITION

Executive directors

Loucas Pouroulis (Executive Chairman)
Phoevos Pouroulis (CEO)
Michael Jones (CFO)

Independent non-executive directors

David Salter (Lead Independent Director)
Antonios Djakouris
Omar Kamal
Carol Bell
Roger Davey

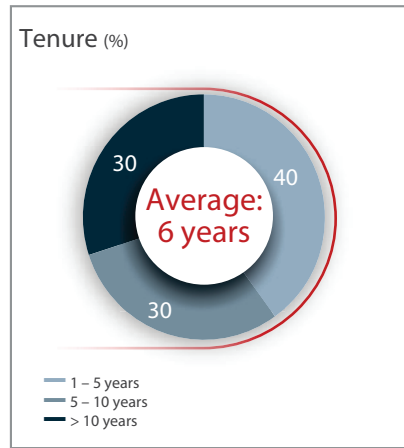
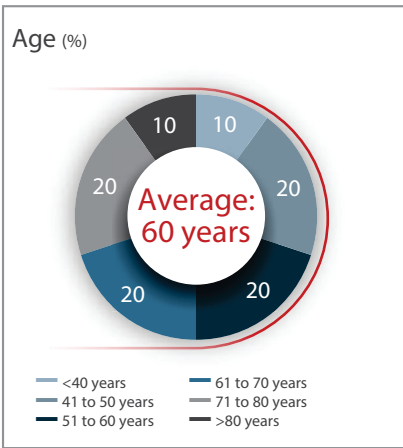
Non-executive directors

Zhong Liang Hong
Vaneese Wing Ye Chu

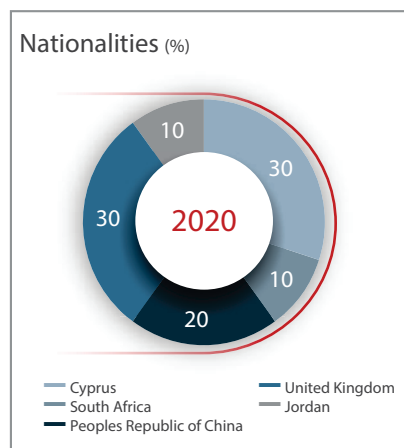
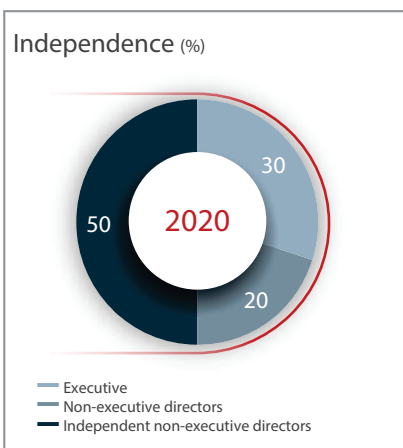
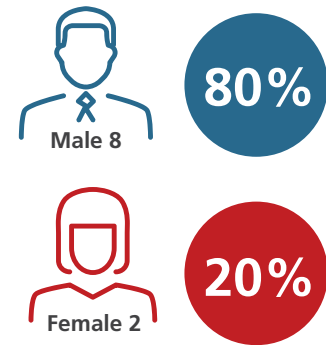
The Company has a unitary board, which both leads and controls the Company. It comprises three executive directors and seven non-executive directors. Five of the seven non-executive directors are independent.

The Board is structured in such a way that there is a clear balance of authority, ensuring that no one director has unfettered powers. The size of the Board is regulated by the Company's Articles of Association and directors are appointed through a formal process.

The Nomination Committee identifies suitable candidates for appointment as directors. Directors are required to be individuals of calibre and credibility with the necessary skills and experience to bring judgement, independent of management, on issues of strategy, performance, resources, diversity, standards of conduct and evaluation of performance. Merit, commitment, integrity and diversity are the core considerations in ensuring that the Board and its committees have an appropriate blend and balance of perspectives, knowledge and experience to discharge their duties effectively and competently, having regard to the strategic direction of the Group.



Gender



Experience



Please note that some Board members have skills and expertise in more than one area

BOARD DIVERSITY

The Nomination Committee reviews and assesses the size, structure and composition of the Board on an ongoing basis to ensure it is appropriately diversified. In this assessment, it takes into account that the perspective of Board members is influenced by a combination of three different sets of attributes, being

- experiential attributes such as skills, education, functional experience, industry experience and accomplishments,
- demographic attributes such as gender, race, ethnicity, culture, religion and generational cohort, and
- personal attributes such as personality, interests and values. The Board recognises that having a blend of attributes across all facets of diversity will lead to more thorough and robust decision-making processes and direction and therefore strives to ensure its diverse composition.

Acknowledging the benefits that can be achieved through diversity, and specifically

the meaningful participation of women who possess the appropriate skills and experience as members of the Board, the Board will continue to focus on the long-term goal of improving gender representation at Board level. At present, the two female directors represent 20% of the total number of directors and 29% of the non-executive directors.

Similarly, recognising the value of age, ethnic and cultural diversity at Board level, the Board encourages the inclusion and consideration of prospective candidates with diverse backgrounds, a range of suitable skills, based on merit and against objective criteria, and with due regard for the benefits of diversity on the Board.

In compliance with King IV, the JSE Listings Requirements and international best practice, the Nomination Committee and Board have adopted a Board level diversity policy, without introducing voluntary targets with regard to gender and racial diversification of the Board. The Nomination Committee and the Board

believe that fixed targets will not necessarily result in the best candidates being identified for appointment to the Board, given that the achievement of specific targets would be dependent on a number of factors outside of the Board's control, including the frequency at which Board positions become vacant, the need to appoint additional Board members and the availability of appropriately skilled candidates. It is, however, the objective to include diverse candidates in the process of identifying suitably qualified candidates for appointment as Board members. The Board will also pursue opportunities to increase the number of female and racially and ethnically diverse Board members over time, provided that it is consistent with the skills and diversity requirements of the Board. In identifying suitable candidates, the Nomination Committee considers diverse candidates with a range of suitable skills against objective criteria and with due regard for the benefits of diversity on the Board. Whenever practically and commercially possible, the Board gives preference to those candidates whose appointment will

CORPORATE GOVERNANCE CONTINUED

contribute to the achievement of suitable diversity of the Board.

During the assessment process, the Nomination Committee also considers the relationship between executive and non-executive directors. The Board believes that there is an appropriate balance between executive and non-executive directors. The Board is satisfied that the current members of the Board collectively possess the skills, knowledge and experience required to effectively discharge the responsibilities of the Board to achieve the Group's objectives, promote shareholder interests and to create value for stakeholders over the long term.

ROLE AND RESPONSIBILITIES OF THE BOARD

The Board is the ultimate governing authority, responsible for the Company's strategy, key policies, ethics and corporate governance, as well as approving the Company's financial objectives and targets. The Board recognises that strategy, performance, risk and sustainability are inseparable and that the execution of strategy can have a material impact on the Company's creation of value and its various stakeholders. The Board is fundamentally important to the achievement of the Company's mission, financial objectives and fulfilment of its corporate responsibilities in a sustainable manner and provides effective leadership on an ethical foundation.

The Board is the ultimate custodian of the governance framework, which commits the Company and its representatives to act according to the highest standards of fairness, accountability, responsibility, transparency, ethics and sustainability. The Company's approach to corporate governance strives to be stakeholder inclusive and based on good communication. This approach has been integrated into every aspect of the Company's business.

The Board ensures that the Group is, and is seen to be, a responsible corporate citizen, by having regard not only to the financial aspects of the business of the Group, but also the impact that the business operations have on the environment and the society in which they operate.

The Board has adopted a Board Charter setting out the role, functions, obligations, rights, responsibilities and powers of the

Board and the policies and practices of the Board in respect of its duties, functions and responsibilities. The Board has also adopted terms of reference for each of its committees. The Board Charter and terms of reference are available on the Company's website.

The directors who are also members of the Executive Committee of the Company are involved in the day-to-day business activities of the Company and are responsible for ensuring that the decisions of the Executive Committee as approved by the Board, are implemented in accordance with the mandate given by the Board and Executive Committee.

The Board is satisfied that the approved delegation of authority framework contributes to role clarity and the effective exercise of responsibilities.

All non-executive directors have unrestricted access to the Chairman, management, the Company Secretary, the Assistant Company Secretary and the external and internal auditors. Directors are entitled to seek independent professional advice on any matter pertaining to the Company and the Group, at the Company's expense.

The Board considers and satisfies itself, on an annual basis, of the qualifications, experience and arm's length relationship between the Company Secretaries and the Board.

Board meetings are held on a regular basis, at least quarterly, and all directors participate in the key areas of decision making.

ROLE OF THE EXECUTIVE CHAIRMAN

There is a clear distinction between the roles of the Executive Chairman and the CEO. The Executive Chairman is responsible for ensuring the integrity and effectiveness of the Board and its committees, which includes:

- providing overall leadership to the Board, without limiting the principle of collective responsibility for Board decisions
- presiding over meetings of the Board and meetings of shareholders
- acting as facilitator at Board meetings to ensure that no director, or group of directors, dominate the discussion, that sufficient debate takes place, that the opinions of all directors relevant to the subject under discussion are solicited

and expressed freely, that conflicts of interests are managed and that Board discussions lead to appropriate decisions

- actively participating in the selection of Board members and overseeing a formal succession plan for the Board and certain senior management appointments
- encouraging collegiality among Board members and management while at the same time maintaining an arm's length relationship
- mentoring to enhance directors' confidence, especially new or inexperienced directors and encouraging them to make an active contribution at meetings.

The Chairman's performance is appraised by the non-executive directors on an annual or such other basis as the Board may determine.

ROLE OF THE CEO

The Board's authority conferred on management is delegated through the CEO and the authority and accountability of management is accordingly considered to be the authority and accountability of the CEO.

The CEO provides executive leadership and is accountable to the Board for the implementation of strategies, objectives and decisions within the framework of the delegated authorities, values and policies of the Company, which includes:

- recommending or appointing the executive members and ensuring proper succession planning and performance appraisals
- developing the Company's strategy and vision for Board consideration and approval
- developing and recommending annual business plans and budgets that support the Company's long-term strategy to the Board
- monitoring and reporting to the Board on performance against and conforming with strategic imperatives
- ensuring that the Company has appropriate management structures and a management team to effectively carry out the Company's objectives, strategy and business plans
- ensuring that the assets of the Company are properly maintained and safeguarded and not unnecessarily placed at risk
- setting the tone from the top in providing ethical leadership and creating an ethical environment and not

causing or permitting any decision, internal or external practice or activity by the Company that may be contrary to commonly accepted business practice, good corporate governance or professional ethics

- acting as the chief spokesperson of the Company.

The non-executive directors monitor and evaluate the CEO in achieving the approved targets and objectives and the results of such evaluation are considered by the Remuneration Committee to guide it in its appraisal of the performance and remuneration of the CEO.

ROLE OF THE LEAD INDEPENDENT DIRECTOR

The Lead Independent Director chairs the Nomination Committee, Safety, Health and Environment Committee and Social and Ethics Committee, facilitates meetings of the non-executive directors and is a member of the Audit, Remuneration, Risk and New Business Committees. He acts as a sounding board to the Executive Chairman and the CEO and leads the non-executive directors in the appraisal of the Executive Chairman and CEO. He provides leadership and advice to the Board when the Executive Chairman has a conflict of interest, without detracting from the authority of the Executive Chairman. He acts as an intermediary for the other Board members and shareholders with regard to concerns that have not been resolved through the normal channels.

ROLE OF THE NON-EXECUTIVE DIRECTORS

The role of non-executive directors is to bring independent judgement and to challenge executive directors in a constructive manner, without becoming involved in the day-to-day running of the business.

The key responsibilities of non-executive directors include oversight to the board on issues relating to:

- strategic direction, by providing an objective, informed and creative insight based on own experience, to act as a constructive critic in assessing the strategic objectives devised by the CEO and to ensure that the necessary financial and human resources are in place for the Company to meet its objectives
- monitoring performance of executive management with regard to the progress made towards achieving the

Company's strategy and objectives and, in doing so, playing an important role in key executive appointments, removals where necessary, and succession planning

- remuneration, through the work of the Remuneration Committee, by objectively and independently determining appropriate levels of remuneration of executive directors
- risk and strategic risk in particular, through the work of the Risk Committee, by reviewing the risk philosophy, strategy and policies as recommended by executive management, ensuring compliance with such policies, and with the overall risk profile of the Company
- integrity of financial information, through the work of the Audit Committee, by ensuring that the Company accounts properly to its shareholders by presenting a true and fair reflection of its actions and financial performance and that the necessary internal control systems are implemented and monitored on a regular basis
- standards of conduct of the Board and executive management.

Tharisa's non-executive directors bring diverse experience and expertise to the Board. They are required to have a clear understanding of the Group's strategy and must be sufficiently familiar with the Group's businesses to be effective contributors to the development of the Group's strategy and identification and monitoring of risks faced by the Group. Non-executive directors are required to have sufficient time to perform their duties as directors and to make a meaningful contribution. They should be prepared to question and challenge the opinions of executive directors and provide fresh insight into the Group's strategic direction. Non-executive directors assess the performance of the Executive Chairman and CEO and serve on various Board committees. Non-executive directors meet without the presence of the executive directors at least twice a year. Non-executive directors met four times during the year under review.

BOARD APPOINTMENTS

Members of the Board are appointed by the Company's shareholders. The Board also has the power to appoint directors, subject to such appointments being approved by shareholders at the next annual general meeting ('AGM') following such appointment. Pursuant to the terms

of the Board Charter, appointments to the Board are made on recommendation of the Nomination Committee. A formal policy detailing the procedures for appointments to the Board has been adopted by the Company.

Non-executive directors are required to be individuals of calibre and credibility, be independent of management and possess the necessary skills and expertise to bring judgement to bear on issues of strategy, performance, resources, diversity, standards of conduct and evaluation of performance.

Directors are required to conduct themselves, at all times, in a professional manner, having due regard to their fiduciary duties and responsibilities to the Company and to ensure that sufficient time is made available to devote to their duties as Board members. Directors are further required to be diligent in discharging their duties to the Company, seek to acquire sufficient knowledge of the business of the Company and endeavour to keep abreast of changes and trends in the business environment and markets in which the Company operates, in order to be able to provide meaningful direction to the Company's business activities and operations.

DIRECTOR INDUCTION

Upon appointment, all new directors are provided with induction materials to familiarise them with the Group's operations, business environment, executive management and to induct them in their fiduciary duties and responsibilities. The induction programme typically involves an information pack comprising, inter alia, the Group structure, a list of the top shareholders, Board packs and minutes of previous Board meetings, annual and interim reports, Articles of Association, the Board Charter, committee terms of reference, information on directors' and officers' insurance, a guide to the JSE Listings Requirements and a memorandum on dealings in securities, market abuse and insider trading. Periodic site visits are arranged for existing and new non-executive directors to improve their understanding of the Group's operations.

RETIREMENT BY ROTATION AND RE-ELECTION OF DIRECTORS

In terms of the Company's Articles of Association, any directors appointed by the Board during the course of the financial year shall hold office only until

CORPORATE GOVERNANCE CONTINUED

the next AGM of the Company following their appointment and shall then retire and be eligible for election. Vaneese Wing Ye Chu was appointed on 17 September 2020 and will accordingly retire at the next AGM and will be eligible for election.

In accordance with the Company's Articles of Association, one-third of non-executive directors must retire from office at each AGM. Executive directors are not subject to retirement by rotation. The non-executive directors retiring at each AGM are those directors who have been the longest serving since their last election. Retiring directors are eligible for re-election, and if so re-elected, are deemed to not have vacated their office. Roger Davey, Zhong Liang Hong and Vaneese Wing Ye Chu will be retiring by rotation at the upcoming AGM. All three directors have made themselves available for re-election. A brief curriculum vitae of each director standing for election or re-election appears on pages 56 to 57.

Board support for election or re-election is not automatic. The Nomination Committee assesses the composition of the Board and performance of individual

Board members on an annual basis prior to recommending any directors for election or re-election by shareholders at the AGM. Upon recommendation by the Nomination Committee, the Board makes a determination as to whether it will endorse a director standing for election or re-election. Having assessed the performance of the directors standing for election, it is the recommendation of the Board that Roger Davey and Vaneese Wing Ye Chu be re-elected.

BOARD MEETINGS

The Board meets formally at least four times per year and at such other times as may be required. The Board met four times during the year under review. In addition to the informal mid-cycle briefing calls which are held at least twice a year, bi-weekly video briefing Board calls had been scheduled during the height of the COVID-19 pandemic, and 12 such calls had been held during the period. Furthermore, the Board participated in two strategy sessions during the year.

BOARD COMMITTEES

Certain responsibilities are reserved for the Board, while others are delegated to

Board committees, each with formal mandates and terms of reference, without reducing the individual and collective responsibilities of Board members' overall fiduciary duties and responsibilities. The terms of reference of each Board committee determines, inter alia, the composition, purpose, scope of mandate, and powers and duties of the committee. Board committees provide feedback to the Board through reports by their respective chairmen and provide the Board with copies of minutes of committee meetings. All directors receive notice and packs for committee meetings and are welcome to join meetings of Board committees of which they are not members. Terms of reference of the various committees are compliant with the provisions of the Company's Articles of Association and the JSE Listings Requirements. The terms of reference are reviewed on a regular basis and are available on the Company's website. All committees have satisfied their responsibilities in compliance with their respective terms of reference during the year under review.

The Company's Board committees are constituted as follows:

	Chairman	Members	By standing invitation
Audit Committee	Antonios Djakouris	David Salter Omar Kamal Carol Bell	CFO CEO
Risk Committee	Antonios Djakouris	Loucas Pouroulis Phoevos Pouroulis Michael Jones David Salter Omar Kamal Carol Bell Roger Davey Zhong Liang Hong Vaneese Wing Ye Chu	COO Group Executive: Legal CTO
Nomination Committee	David Salter	Loucas Pouroulis Antonios Djakouris	CEO
Remuneration Committee	Antonios Djakouris	David Salter Carol Bell Roger Davey	CEO CFO
Safety, Health and Environment Committee	David Salter	Antonios Djakouris Carol Bell Roger Davey	CEO COO
Social and Ethics Committee	David Salter	Antonios Djakouris Omar Kamal Carol Bell Phoevos Pouroulis	
New Business Committee	Roger Davey	David Salter Carol Bell Loucas Pouroulis Phoevos Pouroulis	CFO COO Group Executive: Legal CTO

AUDIT COMMITTEE

The Audit Committee, which must comprise at least three independent non-executive directors, is chaired by Antonios Djakouris, an independent non-executive director. Other members of the Audit Committee are David Salter, Omar Kamal and Carol Bell, all independent non-executive directors. The Board is satisfied that the committee's members have the appropriate mix of qualifications and experience in order to fulfil their responsibilities appropriately. The Group's independent external auditor, independent internal auditors, CFO and CEO attend committee meetings by invitation. The Audit Committee meets with the internal and external auditor, without any executive directors being present.

Both the internal and external auditors have unrestricted access to the Chairman of the Audit Committee and to the Lead Independent Director.

The Audit Committee provides the Board with additional assurance regarding the quality and reliability of financial information used by the Board and the financial statements of the Group. The committee reviews the internal and financial control systems, accounting systems and reporting and internal audit functions. It liaises with the Group's external auditor and monitors compliance with legal requirements.

Furthermore, the Audit Committee assesses the performance of financial management, approves external audit fees and budgets, monitors non-audit services provided by the external auditor against an approved policy and ensures that management addresses any identified internal control weakness. In addition, the Audit Committee oversees the integrated reporting process, risk management systems, information technology risks (as they relate to financial reporting), the Group's whistleblowing arrangements and policies and procedures for preventing corrupt behaviour and detecting fraud and bribery.

In terms of the committee's oversight role in the integrated reporting process, it takes into account all factors and risks that may impact on the integrity of the integrated report. In this regard, the committee considers and reviews the

findings and recommendations of the Risk and Safety, Health and Environment Committees insofar as they are relevant to the functions of the Audit Committee. The committee also reviews and evaluates the disclosure of material sustainability issues in the integrated report, in conjunction with the Risk and Safety Health and Environment Committees, with specific focus on ensuring that the disclosure is reliable and does not conflict with the financial information. It recommends and/or approves the engagement of external assurance providers on material sustainability issues and ensures that the appropriate measures of progress towards achieving disclosed climate change risk mitigation actions are included in the integrated report disclosures.

The committee has unrestricted access to all Company and Group information and may seek information from any employee. The committee may also consult external professional advisers in executing its duties.

The Chairman of the Audit Committee is required to report to the Board after each meeting of the Committee and the minutes of meetings of the Audit Committee are provided to the Board.

For more information on the activities of the committee during the year under review, refer to the report of the Audit Committee on page 92.

The Audit Committee is satisfied as to the appropriateness of the expertise of Michael Jones, the CFO. The appropriateness of the expertise and experience of the CFO is considered on an annual basis.

The Audit Committee meets as often as is deemed necessary, but is required to meet at least twice a year. The committee met four times during the year under review.

RISK COMMITTEE

Control of the complete process of risk management, the evaluation of its effectiveness and approval of recommended risk management and internal control strategies, systems and procedures are key Board responsibilities. For this reason, the Risk Committee comprises the entire Board. The Risk Committee is chaired by Antonios

Djakouris. Risk Committee meetings are attended by the Chief Operating Officer (COO), Group Executive: Legal and Chief Technical Officer (CTO) by invitation.

The Risk Committee reviews management reports on the adequacy and effectiveness of the Group's operational risk management functions, ensures compliance with the Group's risk management policies and reviews the adequacy of the Group's insurance coverage.

During the year under review, in-depth risk reviews had been undertaken at operating subsidiary and business unit level throughout the Tharisa Group, with specific focus on COVID-19 specific risks and committee conducted a high-level review of the residual risks identified by management during these reviews. It continues to monitor progress made by risk owners in identifying mitigating factors, performing gap analyses and implementing additional mitigating measures where required. In addition, the Risk Committee identifies reviews and evaluates non-operational and strategic risks impacting on the Company and the Group on an ongoing basis. The Risk Committee meets as often as is deemed necessary and met twice during the year under review.

NOMINATION COMMITTEE

The Nomination Committee is chaired by David Salter, the Lead Independent Director. Other members of the Nomination Committee are Antonios Djakouris, an independent non-executive director, and Loucas Pouroulis, the Executive Chairman. Loucas Pouroulis is entitled to participate and contribute to the Nomination Committee, but is not entitled to vote on any matter before the Nomination Committee. In the event of a tied vote, David Salter has a casting vote. The CEO attends meetings by invitation, if required.

The Nomination Committee ensures that the procedures for appointments to the Board are formal and transparent by making recommendations to the Board on all new Board appointments in accordance with the Company's policy for Board appointments. It does so by regularly evaluating the Board performance, undertaking performance appraisals of the Chairman and directors, evaluating

CORPORATE GOVERNANCE CONTINUED

the effectiveness of Board committees and making recommendations to the Board. The Nomination Committee also considers and approves the Board succession plans.

The work of the Nomination Committee during the year followed both its terms of reference and established good practice in corporate governance. The committee conducted a review of the structure, size and composition of the Board, with specific emphasis on skills, knowledge, independence and diversity of the Board members. During the period under review, the committee considered the proposal to appoint Julia Hu as non-executive director to replace Joanna Cheng, who retired by rotation at the AGM held in January 2020, and recommended the appointment to the Board. The appointment of Vaneese Wing Ye Chu to the Board had also been considered and recommended to the Board for approval.

The committee also considered the independence of non-executive directors. Consideration was given, among others, as to whether the individual non-executive directors are sufficiently independent of the Company so as to effectively carry out their responsibilities as directors, whether they are independent in judgement and character and that there are no conflicts of interest in the form of contracts, relationships, shareholding, remuneration, employment or related-party disclosures that could affect their independence.

The committee determined that David Salter, Antonios Djakouris, Omar Kamal, Carol Bell and Roger Davey are independent. Zhong Liang Hong and Vaneese Wing Ye Chu are not considered independent due to their association with significant shareholders.

The Nomination Committee met twice during the year under review.

REMUNERATION COMMITTEE

All members of the Remuneration Committee are independent non-executive directors. The committee is chaired by Antonios Djakouris and other members of the committee are David Salter, Carol Bell and Roger Davey. The CEO and CFO are invited to attend meetings of the committee to make presentations, except when their own remuneration is under consideration.

The Remuneration Committee considers the remuneration framework of the Executive Chairman, CEO, CFO and other members of the executive management of the Company and its subsidiaries, with reference to local and international benchmarks. As far as the remuneration of the Executive Chairman and the CEO is concerned, the committee considers and if appropriate, recommends the remuneration of the Executive Chairman and the CEO to the Board for final approval.

The committee also considers bonuses, which are discretionary and based upon general economic variables, the performance of the Company and each individual's performance against personalised key performance indicators, allocations in terms of the Group's incentive schemes and certain other employee benefits and schemes.

During the year, the committee reviewed various aspects of the Group's remuneration structure, including executive salaries, and performance-based remuneration schemes.

In addition, the committee continued its engagement with an independent consulting firm, Korn Ferry, to assist with the design of a new long-term incentive arrangement to support Tharisa's strategic objectives while also reflecting the expectations of leading institutional investors. This work was completed during the year under review and shareholders will be asked to approve a new Long-Term Incentive Plan at the AGM to be held on 10 February 2021. The committee believes that the new plan will successfully motivate and retain key employees, while strengthening the relationship between long-term performance and reward. The plan is designed to be fully consistent with good practice for companies listed in Johannesburg and London and introduces a number of features which help create long-term alignment with institutional investor expectations. It is the committee's recommendation that the Long-Term Incentive Plan be approved by shareholders.

The committee met five times during the year under review.



The remuneration report may be found on pages 78 to 89 of this Integrated Annual Report

SAFETY, HEALTH AND ENVIRONMENT COMMITTEE

All members of the committee are independent non-executive directors. The committee is chaired by David Salter and other members are Antonios Djakouris, Carol Bell and Roger Davey. The CEO and Chief Operating Officer attend the meeting by invitation.

The Safety, Health and Environment Committee develops and reviews the Group's framework, policies and guidelines on safety, health and environmental management, monitors key indicators on accidents and incidents and considers developments in relevant safety, health and environmental practices and regulations.

The committee met four times during the year under review.

SOCIAL AND ETHICS COMMITTEE

As required by the JSE Listings Requirements, the Board established a Social and Ethics Committee. The committee is chaired by David Salter and other members are Antonios Djakouris, Omar Kamal, Carol Bell and Phoevos Pouroulis.

The committee's objective is, inter alia, to assist the Board in ensuring that the Company and the other entities in the Group are and remain committed, socially responsible corporate citizens by creating a sustainable business and having regard to the Company's economic, social and environmental impact on the communities in which it operates which, among others, includes public safety, HIV/Aids, environmental management, corporate social investment, consumer relationships, labour and employment, the promotion of equality and ethics management.

The committee has an independent role with accountability to both the Board and the Company's shareholders. The committee does not assume the functions of management of the Company. These functions remain the responsibility of the Company's executive directors, executive management and senior managers.

It is the committee's responsibility to monitor the Group's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to, among others, the following:

- (i) Social and economic development, focusing on the Company's standing in terms of the goals and purposes of the 10 United Nations Global Compact Principles, among others:
- upholding and respecting human rights
 - fair labour practices, which include the freedom of association, right to collective bargaining and the elimination of forced labour, child labour and discrimination
 - promotion of greater responsibility toward the environment
 - prevention of bribery and corruption
 - the Organisation for Economic Co-operation and Development's recommendations regarding corruption
 - the Equator Principles
 - the Employment Equity Act and the Broad-Based Black Economic Empowerment Act, applicable to South African subsidiaries.
- (ii) Good corporate citizenship and the impact of the Group's activities and of its products or services on the environment, health and public safety and the Company's employment relationships and its contribution toward the educational development of its employees. In order to ensure that Tharisa is and is seen to be a responsible corporate citizen, the committee oversees and monitors, on an ongoing basis, the consequences of the Group's activities and outputs on:
- the workplace, by ensuring employment equity, fair remuneration, safety, health, dignity and development of employees and the Group's standing in relation to the International Labour Organisation Protocol on decent work and working conditions
 - the economy, by working towards economic transformation
 - the prevention, detection and response to fraud and corruption
 - society, by upholding public health and safety, consumer protection, community development and protection of human rights
 - the environment, by ensuring the prevention of pollution, minimising waste disposal and protecting biodiversity.
- (iii) Ethical leadership and ethical behaviour, by reviewing the Company's Code of Ethics and making recommendations to the Board for approval, reviewing results of whistleblowing activities, reviewing significant cases of employee conflicts of interest, misconduct or fraud, or any other unethical activity by employees or the Company and ensuring that the Company's ethics performance is assessed, monitored, reported and disclosed.
- The committee is pleased to report that it has fulfilled its mandate in terms of its Terms of Reference and that there are no

instances of material non-compliance to report.

The committee meets as often as it deems necessary but, in any case, at least once a year and at such other times as determined. The committee met once during the year under review.

NEW BUSINESS COMMITTEE

The New Business Committee is responsible for the investigation and assessment of new projects and business opportunities, particularly from a strategic, technical and operational point of view, and the identification of project-related risks, and safety, health and environmental risks. The Committee is not authorised to approve individual projects or investments or commit the Company, but works with executive management to review and evaluate new business opportunities and initiatives and make recommendations to the Board for approval. The committee has the right of access to management and/or external consultants and the right to seek additional information or explanations.

The committee is chaired by Roger Davey and other members are David Salter, Carol Bell, Loucas Pouroulis and Phoevos Pouroulis. The CFO, COO, Group Executive: Legal and CTO attend meetings as invitees.

Meetings of the committee will be held as often as necessary to undertake its role effectively. The committee met four times during the year under review.

ATTENDANCE AT MEETINGS

Attendance at Board and committee meetings is set out below:

Director	Board	Audit Committee	Nomination Committee	Remuneration Committee	Risk Committee	SHE Committee	Social and Ethics Committee	New Business Committee
Number of meetings held	4	4	2	5	2	4	1	4
Loucas Pouroulis	3	–	2	1 [#]	2	–	–	3
Phoevos Pouroulis	3	4 [#]	2 [#]	5 [#]	2	4 [#]	1	3
Michael Jones	4	4 [#]	–	5 [#]	2	–	–	4
David Salter	4	4	2	5	2	4	1	4
Antonios Djakouris	4	4	2	5	2	4	1	4 [#]
Omar Kamal	4	4	–	–	2	3 [#]	1	4 [#]
Carol Bell	4	3	2	5	2	4	1	4
Roger Davey	4	1 [#]	1 [#]	4	2	4	1 [#]	4
Zhong Liang Hong	0	–	–	–	0	–	–	–
Joanna Cheng*	1	–	–	–	0	–	–	1
Julia Zhengzhi Hu**	3	3 [#]	–	–	2	–	–	3 [#]
Vaneese Wing Ye Chu***	1	–	–	–	0	–	–	–

[#] By invitation

* Retired by rotation on 29 January 2020

** Appointed 29 January 2020/ Resigned 17 September 2020

*** Appointed 17 September 2020

CORPORATE GOVERNANCE CONTINUED

GROUP COMPANY SECRETARY

The role of the Group Company Secretary is, inter alia, to provide guidance and advice to the Board with respect to matters relating to the JSE Listings Requirements, the LSE Listings Rules, Disclosure and Transparency Rules, Cyprus Companies Law, King IV, market abuse laws and regulations and other corporate governance-related matters. In addition to her statutory duties, the Company Secretary provides individual directors, the Board as a whole, and the various committees with guidance as to the manner in which their responsibilities should be discharged in the best interests of the Group.

Sanet Findlay is a full-time employee within the Group and based in South Africa. She holds a Bachelor of Science and a Bachelor of Law, a CIS professional post-graduate qualification: Company Secretarial and Governance Practice and is an Associate member of the Chartered Governance Institute of Southern Africa (formerly Chartered Secretaries Southern Africa) since 2003. She has experience as a Group Company Secretary of JSE and LSE listed companies since 2009. She is not a director of Tharisa or any of its subsidiaries and maintains an arm's length relationship with the Board.

Lysandros Lysandrides acts as the Assistant Company Secretary and holds a Bachelor of Law and a post-graduate diploma in Legal Practice (UK). He is an associate member of the Institute of Chartered Secretaries and Administrators (UK), a Fellow of the Chartered Institute of Legal Executives (UK) and a registered practising Cyprus attorney at law. He has experience as a company secretary and legal adviser to companies listed on the LSE and Cyprus Stock Exchange. Lysandros is appointed as an external adviser to Tharisa and its Cyprus subsidiaries and maintains an arm's length relationship with the Board.

The Board formally assessed and considered the performance and qualifications of the Company Secretaries and is satisfied that the Company Secretaries are competent, suitably qualified and experienced.

The appointment and removal of the Company Secretaries are matters reserved for the Board as a whole.

BOARD EVALUATION

The Nomination Committee, under leadership of the Lead Independent Director, conducts an evaluation of the performance of the Board, its committees, the Executive Chairman, CEO, CFO, the Company Secretary and the performance and contribution of the individual non-executive directors. The Board committees conduct a self-evaluation against their respective terms of reference and each individual Board member is evaluated by fellow Board members using an evaluation questionnaire. The results of the evaluation process are considered by the Nomination Committee prior to their presentation to the Board. Results and any identified training requirements are discussed with individual directors if deemed necessary. Board evaluations are performed on an annual or biennial basis. An extensive evaluation was conducted during October 2019. There were no material findings and remedial action is being taken to address areas that can be improved upon.

The Board is satisfied that the evaluation process assists in the improvement of performance and effectiveness of the Board.

CONFLICTS OF INTEREST

Disclosure of other directorships, personal financial interests and any other conflicts of interest, and those of related persons, in any matter before the Board is a standing Board agenda item and a register is kept of all such disclosures. Directors recuse themselves from discussion on any matters in which they may have a conflict of interest. Non-executive directors are required to inform the Board of any proposed new directorships and the Board reserves the right to review such additional appointments to ensure that no conflict of interest would arise and to ensure that a director accepting a new appointment would be able to continue to fulfil his or her obligations as a member of the Board.

SHARE DEALING AND INSIDER TRADING

All directors of the Company and its major subsidiaries, senior executives, the Company Secretaries and employees and advisers who, by virtue of their positions have access to financial and other price sensitive information, are regarded as insiders and are required, at all times, to obtain prior authorisation to deal in the Company's shares.

Directors of the Company and its major subsidiaries and Persons Discharging Managerial Responsibilities (PDMRs) are reminded of their obligation to inform all their associates, as defined by the JSE Listings Requirements, and investment managers of the fact that dealings by the directors and their associates in Tharisa shares have to be pre-approved and/or disclosed to the Company within the stipulated timeframe to facilitate release of the required announcements in terms of the JSE Listings Requirements. A similar requirement exists under the European Union's Market Abuse Regulations for persons discharging managerial responsibilities and persons closely associated with them. The Company's directors, executives and employees who are classified as insiders are not permitted to deal in the Company's shares during closed periods or when they are in possession of non-public information.

An appropriate communication is sent to all such directors, PDMRs and employees alerting them that the Company is entering a closed period. Closed periods are observed as required by the JSE Listings Requirements, including the period from the end of the interim and annual financial reporting periods to the announcement of the financial results for the respective periods, and during periods that the Company is under a cautionary announcement. The EU Market Abuse Regulation stipulates a closed period of 30 calendar days before announcement of the interim and/or annual results. The Company applies the longer duration in any given financial reporting period.

Directors of the Company and its major subsidiaries and PDMRs were made aware of an amendment to the JSE Listings Requirements, which expands the definition of a transaction (for purposes of directors' dealings in securities) to include the use of the issuer's securities as security, guarantee, collateral or otherwise granting a charge, lien or other encumbrance over the securities. In the past, disclosure of such security arrangements had only been required at the time of enforcement against the security, and not at the time that the relevant security agreement was entered into. In terms of the amended Listings Requirements, separate transactions are regarded to occur, and an announcement is required, at the time a security agreement is entered into, at the time when a right of the secured party is

exercised, and at the time that an existing security agreement is amended or terminated. All existing transactions entered into prior to the amendment of the Listings Requirements must be disclosed in the annual report. None of the directors or company secretaries of the Company, or of its major subsidiaries, or any PDMRs had entered into any such transactions prior to the amendment to the Listings Requirements which came into effect on 2 December 2019.

SUCCESSION PLANNING

The Board, assisted by the Nomination Committee, is responsible for overseeing succession planning and ensuring that appropriate strategies are in place to ensure the smooth continuation of roles and responsibilities of members of the Board and senior management.

COMPLIANCE

Compliance with financial reporting requirements and accounting standards falls within the ambit of the Audit Committee. The Group's statutory and regulatory compliance resides with the Legal, Risk and Compliance Officer and reports on compliance are presented to the Audit and Social and Ethics Committees. In addition to the formal authorisation processes required for dealings in the Company's shares, the Group has various policies and procedures in place governing the declaration of interests, accepting and granting of gifts and an approved delegation of authorities matrix which governs the delegation of authority and value limits within the Group and ensures that all transactions are approved appropriately.

No incidents of non-compliance were identified and no significant penalties or regulatory censures were imposed on the Company or any of its subsidiaries during the year under review.

The Board is satisfied that the Company complied with the Cyprus Companies Law, its Articles of Association and the requirements of the JSE Listings Requirements pursuant to the Company's primary listing on the JSE during the year under review. The Board also acknowledges the role and responsibilities of its JSE sponsor, Investec Bank Limited, and is of the opinion that the sponsor has discharged its responsibilities with due care during the period.

INFORMATION TECHNOLOGY GOVERNANCE

The Board Charter commits the Board to assuming ultimate responsibility for ensuring that effective information technology ('IT') systems, internal control, auditing and compliance policies, procedures and processes are implemented in order to avoid or mitigate key IT-related business risks. The Board has delegated responsibility for the governing of IT to the Audit Committee. Assurance on the IT systems and processes is provided by the Group's internal auditors, and/or other professional consultants if required, and findings are reported to the Audit Committee, which ensures that any and all material findings are addressed appropriately.

CLIMATE CHANGE GOVERNANCE

The Board is ultimately responsible for strategic direction of the Group and monitoring that Tharisa and its subsidiaries are operating responsibly. Tharisa has evolved its approach to dealing with stakeholders, focusing on actively healing, rather than merely avoiding harm. Both the risks and opportunities presented by climate change are actively debated by the Board when developing the Group's strategy. Investment decisions, likewise, factor in climate risk as well as the business opportunities that arise from decarbonisation of energy in order that the Group's capital investment is allocated appropriately and responsively to ensure that Tharisa's business model remains both sustainable and competitive. The Group produces a number of raw materials required for decarbonising the global economy and it also directs its research and development activities towards not only minimising its direct carbon footprint, but also to contribute to the global goal of achieving net-zero carbon emissions by 2050. The Board supports the Paris Climate Agreement, which was adopted in 2015 to address the negative impact of climate change by substantially reducing global greenhouse gas emissions in an effort to limit the global increase in temperature. The Board is working towards defining short and medium-term greenhouse gas emission targets.

EXTERNAL AUDIT

Ernst & Young Cyprus Limited acts as external auditor to the Group and its independence is reviewed by the Audit Committee on an annual basis. The

appointment of the external auditor was approved at the AGM on 29 January 2020. The external auditor has unrestricted access to the Chairman of the Audit Committee and the Lead Independent Director.

INTERNAL AUDIT

The Company does not have an in-house independent internal audit function.

The Audit Committee reviews, on a regular basis, whether there is a need for an in-house internal audit function and makes the necessary recommendation to the Board. The Audit Committee is of the opinion that given the size and stage of development of the Company and the Group, an in-house internal audit function is not currently justified. The appointment of Deloitte as internal auditor for the Group is considered to sufficiently mitigate the risk of not having an in-house internal audit function.

INTERNAL CONTROL SYSTEMS

To meet the Company's responsibility to provide reliable financial information, the Company maintains financial and operational systems of internal control. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management's authority, that the assets are adequately protected against material losses, unauthorised acquisition, use or disposal and that transactions are properly authorised and recorded. The systems include a documented organisational structure and division of responsibility, established policies and procedures, which are communicated throughout the Group, and the careful selection, training and development of people.

The Audit Committee monitors the operation of the internal control systems to determine whether there are deficiencies. Corrective actions are taken to address control deficiencies as they are identified. The Board, operating through the Audit Committee, oversees the financial reporting process and internal control systems.

There are inherent limitations to the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls.

CORPORATE GOVERNANCE CONTINUED

CODE OF BUSINESS ETHICS AND CONDUCT

The Group's Code of Business Ethics and Conduct reaffirms the high standards of business conduct required of all employees, officers and directors of Tharisa. It forms part of the Company's continuing effort to ensure that it complies with all applicable laws, as an effective programme to prevent and detect violations of law, and for the education and training of employees, officers and directors. In most circumstances, the code sets standards that are higher than the law requires and adherence to the code aims to preserve the confidence and support of the public and Tharisa's shareholders.

Tharisa expects its employees, officers and directors to:

- act with honesty, integrity and fairness in all dealings, both internally and externally
- comply with all laws and regulations applicable to the Group
- comply with Group policies and procedures
- protect the health, safety and wellbeing of co-workers, suppliers and the communities in which the Group operates
- protect the environment by prudent use of resources such as water and energy and to limit waste disposal by recycling
- protect and not disclose Tharisa's confidential information
- avoid any potential conflicts of private interests with the interests of the Group, including, but not limited to, improper communications with competitors or suppliers regarding bids for contracts, having close relationships with contractors or suppliers, involvement with any other businesses that have interests adverse to Tharisa, interests in Tharisa or compete with Tharisa
- not give or accept gifts, gratuities, or hospitality from customers or suppliers of inappropriate value, that could incur obligations or that could influence judgement
- avoid any situations or relationships that could interfere with an individual's ability to make decisions in Tharisa's best interests
- to act in a courteous, dignified and respectful manner when dealing with co-workers and third parties and to refrain from discriminatory, harassing or bullying behaviour, whether expressed verbally, in gesture or through behaviour.

Furthermore, it is Tharisa's policy not to discriminate against any employee on the basis of race, religion, national origin, language, gender, sexual orientation, HIV status, age, political affiliation or physical or other disability. Tharisa desires to create a challenging and supportive environment where individual contributions and teamwork are highly valued. In order to establish such an environment, all individuals are expected to support this policy of non-discrimination and Tharisa's equal employment opportunity policies.

HUMAN RIGHTS, MODERN SLAVERY AND HUMAN TRAFFICKING

Tharisa acts ethically and with integrity in all business dealings and has the necessary systems and controls in place to safeguard against any form of transgression of human rights. Tharisa will continue to raise awareness of human rights among its employees, suppliers and the communities in which it operates.

Modern slavery encapsulates slavery, servitude and forced or compulsory labour. Tharisa has a zero tolerance approach to any form of modern slavery and is committed to ensuring that there is no slavery or human trafficking in its supply chain, or in any part of its business.

Anti-bribery and corruption policy
Tharisa is committed to doing business ethically. Tharisa does not tolerate corruption, fraud and bribery and does not allow donations to any political parties by any of its operations. The Group's anti-corruption policy outlines potential risks, steps to mitigate the risk of bribery and corruption, together with a reporting guideline. All employees, suppliers and other associated persons are made aware of these policies and procedures with regard to ethical behaviour, business conduct and transparency.

INDEPENDENT ANONYMOUS SAFETY AND ETHICS HOTLINE

The Group has a zero tolerance approach to safety transgressions, theft, fraud, corruption, violation of the law and unethical business practices by employees or suppliers.

A 24-hour independent anonymous safety and ethics hotline monitored by an independent external party is fully operational and facilitates the reporting and resolution of safety and ethical violations. This confidential and anonymous hotline provides an impartial

facility for employees, service providers, customers and other stakeholders to report any safety or ethics-related matter such as safety concerns, unsafe behaviour and practices, hazardous conditions, fraudulent activity, corruption, statutory malpractice, financial and accounting reporting irregularities and other deviations from safe and ethical behaviour. It is the duty of the Audit Committee to ensure that arrangements are in place for the independent investigation of such matters and appropriate follow-up action. No action will be taken against anyone reporting legitimate concerns, even if there is no proven unlawful conduct.

Each report received via the Safety and Ethics Hotline, or through any other channel, is considered and a decision is taken whether the report should be investigated internally, or whether an independent external investigation is called for. During the year under review, a number of anonymous reports were received via the Safety and Ethics Hotline. These reports were duly investigated, and appropriate disciplinary action was taken where necessary.

INVESTOR RELATIONS

The CEO and CFO, supported by the Investor Relations function, interact with institutional investors and qualified private investors on a regular basis on the performance of the Group through presentations, and scheduled meetings. The Company also participates in selected South African and international conferences and conducts roadshows in South Africa and internationally.

A wide range of information and documents, including copies of presentations given to investors, annual reports and notices of shareholder meetings, are made available on the Company's website www.tharisa.com on an ongoing basis.

Shareholders are encouraged to visit the investors' section of the website frequently to be kept informed of the corporate timetable, including dates for the AGMs, forms of proxy and relevant shareholder information relating thereto.

KING IV APPLICATION

Principle	Summary of how Tharisa applies the King IV Principles
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Leadership, ethics and corporate citizenship	
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<p>1. Leadership The governing body should lead ethically and effectively</p>	<p>Integrity The Board is guided in all matters by the Board Charter, which sets out its role and responsibilities. The Board subscribes to and promotes the highest standards of integrity and good corporate governance, itself acting ethically and setting the tone for an ethical organisational culture. The Board’s ethical approach is further strengthened by the diverse experience of its non-executive directors, the majority of whom are independent.</p> <p>Disclosure of other directorships, personal financial interests and any other conflicts of interest, and those of related persons, in any matter before the Board is a standing Board agenda item and a register is kept of all such disclosures. Directors recuse themselves from discussion on any matters in which they may have a conflict of interest.</p> <p>The values and principles of Tharisa are defined in the Company’s Code of Business Ethics and Conduct, which seeks to ensure compliance with relevant legislation and regulations, in a manner that is beyond reproach.</p> <p>The Social and Ethics Committee assists the Board by monitoring ethical leadership and ethical behaviour, by reviewing the Company’s Code of Ethics and making recommendations to the Board for approval, reviewing results of whistleblowing activities, reviewing significant cases of employee conflicts of interest, misconduct or fraud, or any other unethical activity by employees or the Company and ensuring that the Company’s ethics performance is assessed, monitored, reported and disclosed.</p> <p>Competence Upon appointment, all new directors are provided with induction materials to familiarise them with the Group’s operations, business environment and members of executive management. Periodic site visits are arranged for existing and new non-executive directors to improve their understanding of the Group’s operations.</p> <p>Directors are required to be diligent in discharging their duties to the Company, seek to acquire sufficient knowledge of the business of the Company and endeavour to keep abreast of changes and trends in the business environment and markets in which the Company operates, in order to be able to provide meaningful direction to the Company’s business activities and operations.</p> <p>The Nomination Committee, under leadership of the Lead Independent Director, conducts an evaluation of the effectiveness and performance of the Board, its committees, and individual directors. Results and any identified training requirements are discussed with individual directors if deemed necessary.</p> <p>Responsibility The Board is responsible for control of the Company and the strategic direction of the Group. The Board exercises such control through the governance framework of the Board and its committees. The Board Charter contains a list of matters reserved for the Board.</p> <p>The non-executive directors bring diverse experience and expertise to the Board. They are required to have a clear understanding of the Group’s strategy and must be sufficiently familiar with the Group’s businesses to be effective contributors to the development of the Group’s strategy and identification and monitoring of risks faced by the Group. Non-executive directors are required to have sufficient time to perform their duties as directors and to make a meaningful contribution. They should be prepared to question and challenge the opinions of executive directors and provide fresh insight into the Group’s strategic direction.</p>
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Leadership, ethics and corporate citizenship continued	
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<p>1. Leadership continued The governing body should lead ethically and effectively</p>	<p>Accountability Certain responsibilities are reserved for the Board, while others are delegated to Board committees, each with formal mandates and terms of reference. This delegation, however, does not reduce the individual and collective responsibilities of Board members’ overall fiduciary duties and responsibilities.</p> <p>Fairness and transparency The Board is the ultimate custodian of the governance framework, which commits the Company and its representatives to act according to the highest standards of fairness, accountability, responsibility, transparency, ethics and sustainability. The Board ensures that the Group is, and is seen to be, a responsible corporate citizen, by having regard not only to the financial aspects of the business of the Group, but also the impact that the business operations have on the environment and the societies in which it operates.</p>
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Overview

Strategic Review

Operational Review

Sustainability

Mineral Resource and Mineral Reserve Statement

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Governance

Financial Review

Shareholder Information

KING IV APPLICATION CONTINUED

2. Organisational ethics

The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture

The Board Charter outlines the Board's effective management of ethics. The Group's Code of Business Ethics and Conduct reaffirms the high standards of business conduct required of all employees, officers and directors of Tharisa. In most circumstances, the Code sets standards that are higher than the law requires.

A 24-hour safety and ethics hotline, monitored by an independent external party, facilitates the detection and resolution of safety and ethics violations. This confidential and anonymous hotline provides an impartial facility for employees, service providers, customers and other stakeholders to report any safety or ethics-related matter such as safety concerns, unsafe behaviour and practices, hazardous conditions, fraudulent activity, corruption, statutory malpractice, financial and accounting reporting irregularities and other deviations from safe and ethical behaviour. The Audit Committee ensures that arrangements are in place for the independent investigation of such matters and appropriate follow-up action.

3. Responsible corporate citizenship

The governing body should ensure that the organisation is, and is seen to be, a responsible corporate citizen

The Board ensures that the Group is, and is seen to be, a responsible corporate citizen by having regard not only for the financial aspects, but also the impact that the business operations have on the environment and the society in which they operate.

The Board Charter outlines the Board's responsibilities in this regard. Tharisa is committed to the promotion of sound safety, health and environmental practices in order to protect, enhance and invest in the wellbeing of the economy, society and the environment. The Board agrees with the principles of the 2015 Paris Agreement to mitigate climate change and the Group is taking steps to reduce its carbon footprint. Tharisa has evolved its approach to dealing with stakeholders and the environment, focusing actively on healing, rather than merely avoiding harm.

The Board focuses on these matters through its Risk, Safety, Health and Environment and Social and Ethics Committees.

The Social and Ethics Committee assists the Board by monitoring the Group's activities relating to good corporate citizenship and the impact of the Group's activities and its products or services on the environment, health and public safety, the Company's employment relationships and its contribution toward the educational development of its employees. In order to ensure that Tharisa is seen to be a responsible corporate citizen, the committee oversees and monitors, on an ongoing basis, the consequences of the Group's activities and outputs on:

- the workplace, by ensuring employment equity, fair remuneration, safety, health, dignity and development of employees and the Group's standing in relation to the International Labour Organisation Protocol on decent work and working conditions
- the economy, by working towards economic transformation
- the prevention, detection and response to fraud and corruption
- society, by upholding public health and safety, consumer protection, community development and protection of human rights and
- the environment, by ensuring the prevention of pollution, minimising waste disposal and protecting biodiversity.

Strategy, performance and reporting

4. Strategy and performance

The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation purpose

The Board recognises that strategy, risk, performance and sustainability are inseparable. The Board is responsible for aligning the strategic objectives, vision and mission of the Group with performance and sustainability considerations. The Board reviews and approves Group strategy, ensuring alignment with the purpose of the Company, key value drivers, sustainability and legitimate interests and expectations of stakeholders.

In terms of the Board Charter, approval of the strategy, business plans and annual budgets and any subsequent material changes in strategic direction or material deviations in business plans and/or annual budgets are matters reserved for the Board.

The CEO provides executive leadership and is accountable to the Board for the implementation of strategies, objectives and decisions within the framework of the delegated authorities, values and policies of the Company, which include:

- developing the Company's strategy and vision for Board consideration and approval
- developing and recommending annual business plans and budgets that support the Company's long-term strategy to the Board
- monitoring and reporting to the Board on performance against and conformance with strategic imperatives
- ensuring that the Company has appropriate management structures and a management team to effectively carry out the Company's objectives, strategy and business plans.

Strategy, performance and reporting continued**5. Reporting**

The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long-term prospects

The Company has controls to ensure the integrity of the Integrated Annual Report. It is reviewed by the finance team, CFO, CEO, the Company Secretaries, senior management, JSE sponsor, external auditor and the Audit Committee to ensure that the information is a true reflection of the Group's activities, prior to approval by the Board.

The Audit Committee provides the Board with additional assurance regarding the quality and reliability of financial information and the financial statements of the Group. The Audit Committee also has an oversight role in the integrated reporting process and takes into account all factors and risks that may impact the integrity of the annual report.

The Board Charter sets out the Board's responsibilities in relation to reporting and the following are matters reserved for the Board:

- Adoption of any material change to or departure from the accounting policies and practices of the Company and its subsidiaries.
- Approval of annual financial statements and interim reports and of any ancillary documents related thereto.

Governing structures and delegation**6. Primary role and responsibilities of the governing body**

The governing body should serve as the focal point and custodian of corporate governance in the organisation

The Board is the ultimate custodian of the governance framework, which commits the Company and its representatives to act according to the highest standards of fairness, accountability, responsibility, transparency, ethics and sustainability. The Board's approach to corporate governance strives to be stakeholder inclusive and based on good communication.

The Board is committed to the highest standards of corporate governance and believes that accountability, integrity, fairness, transparency and integrated thinking are essential to the Group's long-term sustainability and to its ongoing ability to create value for investors and other stakeholders.

The Board is responsible for aligning the strategic objectives, vision and mission of the Group with performance and sustainability considerations. In terms of the Board Charter, approval of the strategy, business plans and annual budgets and any subsequent material changes in strategic direction or material deviations in business plans and/or annual budgets are matters reserved for the Board. The Board ensures that risks impacting the business are adequately examined and mitigated by management.

The Board, its committees and individual directors have unrestricted access to all Company and Group information, the Company Secretaries, and may also consult external professional advisers in executing their duties.

The number of meetings of the Board and its committees held and attendance thereat is set out in the Integrated Annual Report.

The Board is satisfied that it has fulfilled its responsibilities in accordance with the Board Charter during the financial year.

KING IV APPLICATION CONTINUED

Governing structures and delegation continued

7. Composition of the governing body

The governing body should comprise an appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively

Composition

The unitary Board, which both leads and controls the Company, comprises three executive directors, being the Executive Chairman, CEO and CFO, and seven non-executive directors. Five of the seven non-executive directors are independent of management. The Board is structured in such a way such that there is a clear balance of authority, ensuring that no one director has unfettered powers.

Size and composition of the Board

The size of the Board is regulated by the Company's Articles of Association and directors are appointed through a formal process. The Nomination Committee assists with the process by identifying suitable candidates for appointment as directors. Directors are required to be individuals of high calibre and credibility with the necessary skills and experience to bring judgement independent of management, on issues of strategy, performance, resources, diversity, standards of conduct and evaluation of performance.

The Nomination Committee also assesses the structure and composition of the Board on an ongoing basis, taking into account the size of the Board and the knowledge, skills, experience and demographics of the directors to ensure it is appropriately diversified with regard to among others, gender, race, nationality, skills, geographic and industry experience, age, personalities and other characteristics of directors. Merit and diversity are the core considerations in ensuring that the Board and its committees have an appropriate blend of perspectives to effectively and competently discharge their duties having regard to the strategic direction of the Group. The Nomination Committee has adopted a Board level diversification policy without introducing a voluntary target. At present, the two female directors represent 20% of the total number of directors and 29% of the non-executive directors.

As part of the assessment process, the Nomination Committee considers the relationship between executive and non-executive directors and makes recommendations to the Board. The Board believes that there is an appropriate balance between executive and non-executive directors and is satisfied that the current members of the Board collectively possess the skills, knowledge and experience required to effectively discharge the responsibilities of the Board to achieve the Group's objectives, promote shareholder interests and to create value for stakeholders over the long term.

Independence

The Nomination Committee considers the independence of non-executive directors. Consideration is given, among others, as to whether the individual non-executive directors are sufficiently independent of the Company so as to effectively carry out their responsibilities as directors, whether they are independent in judgement and character and that there are no conflicts of interest in the form of contracts, relationships, shareholding, remuneration, employment or related-party disclosures that could affect their independence.

Independent non-executive directors serving for more than nine years are subject to a rigorous annual review by the Board to evaluate their continued independence. The Board assesses, among others, the presence or absence of any interest, position, association or relationship that could potentially influence or cause bias in their decision-making process.

Periodic rotation and nomination for re-election

In accordance with the Company's Articles of Association, one-third of non-executive directors must retire from office at each AGM. Retiring directors are eligible for re-election. Executive directors are not subject to retirement by rotation.

The Nomination Committee reviews and assesses the composition of the Board on an annual basis prior to recommending any individual director for election or re-election by shareholders at the AGM.

Board support for re-election is not automatic and directors who are seeking election or re-election are subject to a performance appraisal and the Board, upon recommendation by the Nomination Committee, makes a determination as to whether it will endorse a director standing for election or re-election.

Succession planning

The Board, assisted by the Nomination Committee, is responsible for overseeing succession planning and ensuring that appropriate strategies are in place to ensure the smooth continuation of roles and responsibilities of members of the Board and senior management.

Governing structures and delegation continued**7. Composition of the governing body** continued

The governing body should comprise an appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively

Induction and mentorship

Upon appointment, all new directors are provided with the necessary information to induct them in their fiduciary duties and responsibilities. In this respect, the induction programme typically includes Articles of Association, the Board Charter, committee terms of reference, information on directors' and officers' insurance, a guide to the JSE Listings Requirements and a memorandum on dealings in securities, market abuse and insider trading. Periodic visits are arranged for new and existing non-executive directors to improve their understanding of the Group's operations.

All directors, new and existing, have access to the Company Secretaries for guidance as to the manner in which their responsibilities should be discharged in the best interests of the Group.

It is the Executive Chairman's role to mentor and enhance directors' confidence, especially new or inexperienced directors and to encourage them to make an active contribution at meetings and to undergo training if required.

Conflicts of interests

Disclosure of other directorships, personal financial interests and any other conflicts of interest, and those of related persons, in any matter before the Board is a standing Board agenda item and a register is kept of all such disclosures. Directors recuse themselves from discussion on any matters in which they may have a conflict of interest. Non-executive directors are required to inform the Board of any proposed new directorships and the Board reserves the right to review such additional appointments to ensure that no conflict of interest would arise and to ensure that a director accepting a new appointment would be able to continue to fulfil his or her obligations as a member of the Board.

Lead independent non-executive director

The Lead independent non-executive director chairs the Nomination Committee, Safety, Health and Environment Committee and Social and Ethics Committee, facilitates meetings of the non-executive directors and is a member of the Audit, Remuneration, Risk and Social and Ethics Committees. He acts as a sounding board to the Executive Chairman and the CEO and leads the non-executive directors in the appraisal of the Executive Chairman and CEO. He provides leadership and advice to the Board when the Executive Chairman has a conflict of interest, without detracting from the authority of the Executive Chairman. He acts as an intermediary for the other Board members and shareholders with regard to concerns that have not been resolved through the normal channels.

8. Committees of the governing body

The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties

The Board is assisted in fulfilling its duties by well-structured committees, namely the Audit Committee, Risk Committee, Remuneration Committee, Nomination Committee, Safety, Health and Environment Committee, Social and Ethics Committee and New Business Committee. These committees function according to the Board-approved terms of reference in executing their mandates for which the Board remains ultimately responsible. The terms of reference of all committees are available on the Company's website.

The committees are appropriately constituted and all committees are empowered to obtain such external independent advice as may be required to enable them to discharge their duties. The majority of the directors on the committees are non-executive and independent.

Details of the various Board committees, their composition, role and responsibilities are set out in the Integrated Annual Report.

9. Evaluation of performance of the governing body

The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness

The Board and its committees conduct annual or biennial self-evaluation of the performance of the Board, its committees, the Executive Chairman, CEO, CFO, Company Secretary and individual directors. The results of the evaluations are reviewed and considered by the Nomination Committee, the Board and the respective committees. The Lead Independent Director, assisted by the Company Secretary, coordinates the evaluation process. The Board is satisfied that the evaluation process assists in the improvement of performance and effectiveness of the Board.

KING IV APPLICATION CONTINUED

Governing structures and delegation continued

10. Appointment and delegation to management

The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities

CEO

The Board's authority conferred on management is delegated through the CEO and the authority and accountability of management is accordingly considered to be the authority and accountability of the CEO. The CEO is the highest decision-making officer in the Group and is accountable to the Board for the successful implementation of the Group strategy and overall management of the Group.

In addition to the CEO's responsibilities relating to the development and implementation of the Group strategy, he is responsible for:

- recommending or appointing the executive members and ensuring proper succession planning and performance appraisals
- ensuring that the assets of the Company are properly maintained and safeguarded and not unnecessarily placed at risk
- setting the tone from the top in providing ethical leadership and creating an ethical environment and not causing or permitting any decision, internal or external practice or activity by the Company that may be contrary to commonly accepted business practice, good corporate governance or professional ethics
- acting as the chief spokesperson of the Company.

The CEO is not a member of any Board committees other than the Risk Committee, which comprises the whole Board, and the Social and Ethics Committee. He attends the Audit, Remuneration, Nomination Committee and Safety, Health and Environment Committee meetings as an invitee, if required.

The non-executive directors monitor and evaluate the CEO in achieving the approved targets and objectives and the results of such evaluation are considered by the Remuneration Committee to guide it in its appraisal of the performance and remuneration of the CEO.

The Board and Nomination Committee oversee succession planning of the CEO and other senior executives and officers.

The roles of the Executive Chairman and the CEO are not fulfilled by the same person and there is a clear distinction between the roles and responsibilities of the Chairman and the CEO, as set out in the Board Charter.

Subsidiary companies and delegation of authority

While boards of subsidiary companies function independently, the Company requires decision-making involvement in a defined list of matters to ensure that material decisions are in the interest of the Group.

The Group has approved delegation of authorities matrices in place, which govern the delegation of authority and value limits within the Group and ensure that all transactions are approved appropriately. The Board is satisfied that the approved delegation of authorities matrices contribute to role clarity and the effective exercise of responsibilities.

Company Secretaries

The role of the Company Secretaries is, inter alia, to provide guidance and advice to the Board with respect to statutory, regulatory and corporate governance-related matters. In addition to their statutory duties, the Company Secretaries provide individual directors, the Board as a whole, and the various committees with guidance as to the manner in which their responsibilities should be discharged in the best interests of the Group.

The appointment and removal of the Company Secretaries are matters reserved for the Board as a whole.

The Board formally assesses and considers the performance and qualifications of the Company Secretaries and is satisfied that the Company Secretaries are competent, suitably qualified and experienced, while maintaining an arm's length relationship with the Board.

Governance functional areas

11. Risk governance

The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives

The Board has delegated responsibility to monitor risk activities of the Company to the Risk Committee while remaining ultimately accountable. The Risk Committee comprises the full Board. The Board has delegated the responsibility to design, implement and monitor Tharisa's risk management plan to the senior management. The Board, through the Risk Committee, sets limits for the levels of risk tolerance and appetite and the implementation and management of the risk management plan is monitored by the Risk Committee. Management performs risk assessments on a continuous basis and provides regular feedback to the Risk Committee and the Board.

A risk register is maintained by management and presented to the Risk Committee and the Board to ensure continuous monitoring of the management of risk. The Risk Committee and the Audit Committee provide assurance to the Board regarding the efficacy of the risk management process, after consultation with the internal and external auditors, where applicable.

12. Technology and information governance

The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives

The Board Charter commits the Board to assuming ultimate responsibility for ensuring that effective IT systems, internal control, auditing and compliance policies, procedures and processes are implemented in order to avoid or mitigate key IT-related business risks. The Board has delegated responsibility for the governing of IT to the Audit Committee. Assurance on the IT systems and processes is provided by the Group's internal auditors and findings are reported to the Audit Committee, which ensures that any and all material findings are addressed appropriately.

13. Compliance governance

The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen

Tharisa is incorporated in Cyprus and is subject to Cyprus Companies Law. The Board believes that the Company is compliant with both Cyprus Companies Law and the Company's Articles of Association. Being listed on the JSE and LSE, Tharisa is subject to the JSE Listings Requirement, and the requirements of King IV. It is also subject to the LSE Listings Rules and Disclosure and Transparency Rules applicable to a standard listing, as well as Cyprus disclosure and transparency legislation.

Compliance with financial reporting requirements and accounting standards falls within the ambit of the Audit Committee.

The Group's statutory and regulatory compliance resides with the Legal, Risk and Compliance Officer and reports on compliance are presented to the Audit and Social and Ethics Committees.

In addition to the formal authorisation processes required for dealing in the Company's shares, the Group has various policies and procedures in place governing the declaration of interests, accepting and granting of gifts and approved delegation of authorities matrices, governing the delegation of authority and value limits within the Group.

The Board is also of the opinion that the Company is compliant with the JSE Listings Requirements and King IV in all material respects, other than having an Executive Chairman and not having an in-house independent internal audit function. The former has been mitigated by the appointment of David Salter as the Lead Independent Director and the latter by the appointment of Deloitte as the internal auditor of the Group.

KING IV APPLICATION CONTINUED

Governance functional areas continued

14. Remuneration governance

Remuneration policy

The Remuneration Committee ensures that the policies around the remuneration of directors and executives are fair and effected responsibly. The remuneration policy applies to all employees who are permanently employed and is not applicable to employees of third-party contractors. The non-executive directors' fees are determined by the Board.

The objective of the Group's remuneration policy is to establish responsible, fair and equitable reward, which does not discriminate on the basis of race, gender, sex, pregnancy, marital status, family responsibility, ethnic or social origin, colour, sexual orientation, age, disability, religion, HIV status, conscience, belief, political opinion, culture, language, birth or on any other arbitrary ground.

The Group's remuneration policy reflects the dynamics of the market and the context in which the Group operates. The policy plays a vital role in attracting, motivating and retaining employees, management and directors with the necessary skills to effectively manage operations and grow the business, creating a strong performance-orientated environment and aligning employee and shareholders' interests. The Group regularly seeks and uses remuneration survey services.

The Group aims to create and enforce a high-performance culture that motivates employees to achieve more than just satisfactory levels of performance by differentiating between excellent and mediocre performance. By ensuring that employees are recognised and rewarded for their performance in a fair and equitable manner, the Group strives to remunerate employees equitably according to the value they contribute to the Group.

Basic remuneration packages and benefits are set at a competitive level by benchmarking prevailing market rates in the mining industry and are reviewed on an annual basis.

Guaranteed cost-to-company remuneration consists of a cash component plus certain benefits.

Short-term and long-term incentives are geared to a number of performance factors in the business and achievement of individual performance. The remuneration philosophy establishes accountability by linking total reward to business objectives in a fair and transparent manner in a bid to find a balance between shareholder return requirements, affordability and incentivisation.

Remuneration policy and remuneration implementation report

The Company provides full disclosure of remuneration of executive and non-executive directors as well as key management, as required by the JSE Listings Requirements and King IV.

The remuneration policy is published in the remuneration policy and remuneration implementation report, which forms part of the Integrated Annual Report, and is subject to separate non-binding advisory votes by shareholders at the AGM.

15. Assurance

The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision making and of the organisation's external reports

The Audit Committee oversees the combined assurance framework and receives regular reports on assurance matters from the external auditor, internal auditors and executive management.

The Audit Committee oversees the internal audit function, including reviewing the effectiveness of internal controls, approving the annual internal audit plans and fees, and recommending appointment of the internal auditors.

The Audit Committee approves the non-audit services provided by the external auditors, recommends approval of the audit fees, considers the effectiveness and independence of the external auditor, and recommends the appointment/reappointment of the external auditor.

The Risk Committee and the Audit Committee provide assurance to the Board regarding the efficacy of the risk management process, after consultation with the internal and external auditors, where applicable.

Stakeholder relationships

16. Stakeholder relationships

In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time

The Board has delegated authority to management to proactively deal with stakeholder relationships.

Stakeholder perceptions are closely managed through engagement on multiple levels, which allows management to manage and mitigate any potential issues, reducing the likelihood of reputational risk.

The Board and management are striving to achieve the appropriate balance between various stakeholder groupings, in the best interests of the Company.

The Cyprus Companies Law and the JSE Listings Requirements contain appropriate protection of shareholders and the Articles of Association do not remove such protection. Senior management and the investor relations team ensure that all shareholders are treated equitably.

Senior management ensures that timely, relevant and accurate information is provided to all stakeholders to maintain their trust and confidence in the Group.

The CEO and CFO, (supported by the investor relations function) interact with institutional investors on a regular basis on the performance of the Group through presentations and scheduled meetings. The Company also participates in selected international conferences and conducts roadshows internationally.

A wide range of information and documents, including copies of presentations given to investors, Integrated Annual Reports and notices of shareholder meetings, are made available on the Company's website www.tharisa.com on an ongoing basis. Shareholders are encouraged to visit the investors' section of the website frequently to be kept informed of relevant shareholder information.

The Board encourages directors, shareholders and relevant stakeholders to attend the AGM and other shareholders' meetings. The AGM is also attended by the chairmen of the Audit, Remuneration and Social and Ethics committees and the designated partner responsible for the external audit.

REMUNERATION REPORT

Statement from the Chairman of the Remuneration Committee

SUMMARY OF YEAR

The focus of the Remuneration Committee (the “committee”) during the year has been on ensuring that Tharisa’s remuneration policy and the implementation of the policy remain relevant in the context of the disruption caused by the COVID-19 pandemic. The committee has deliberated at length on the impact of the pandemic on the business and how this should be reflected in decisions around remuneration.

We have been impressed by the resilience of the business and the leadership shown by Tharisa’s executive team during an exceptionally challenging period. As a consequence of the South African national lockdown and to conserve liquidity during this time, bonuses, other than for direct production related bonuses, were suspended and a freeze was placed on recruitment. As the risk adjusted lockdown status was reduced and operations returned to full production capacity, the short term bonus schemes were reintroduced with effect from 1 October 2020. In recognition of the performance of the employees, the committee agreed to the payment of the backdated short term incentive scheme for the last two quarters of FY2020. The committee is pleased to advise that throughout the South African national lockdown period, salaries were paid in full and there were no retrenchments.

During the year the committee approved a further award under the Share Award Plan, Tharisa’s existing long-term incentive scheme. The Share Award Plan provides for Conditional Awards of shares and Appreciation Rights to be granted to selected members of staff, although for the 2020 award we limited the grants to Conditional Awards only. This was done to simplify the award structure and also ensure a prudent approach to managing share allocations in the plan. The overall structure of the Conditional Awards granted in 2020 is the same as those granted in previous years in that the awards are split into three annual tranches, with performance measured separately for each tranche. In addition, we retained the safety “gatekeeper” such that there must be no fatality at the Tharisa Mine during the vesting period.

We did, however, amend the performance conditions for the award and adopted a different approach to that of previous years, as explained below:

- The ability for a portion of each tranche to vest based on continued employment only has been removed, recognising that this feature is not consistent with international best practice.
- An increased weighting has been applied to the metrics covering PGM and chrome concentrate production, recognising the importance of production to investors over the short to medium-term. The targets have also been structured such that vesting will depend upon Tharisa achieving market guidance over each vesting period.
- Separate targets have been applied relating to the construction of, and production from, the Vulcan Plant. This is a project of strategic importance for Tharisa and the committee wishes to ensure that management is appropriately rewarded for successful project completion.

Further details of the targets are included in the remuneration implementation report.

For the financial year beginning 1 October 2020, the committee will continue to apply the existing remuneration policy, save for the Share Award Plan. A key change to the policy for the new financial year relates to the proposal to introduce a new Long-Term Incentive Plan.

NEW LONG-TERM INCENTIVE PLAN

As advised in the remuneration report in the 2019 Integrated Annual Report, the committee engaged an independent consulting firm, Korn Ferry, to assist with the design of a new long-term incentive arrangement to support Tharisa’s strategic objectives while also reflecting the expectations of leading institutional investors. This work was undertaken during the 2020 financial year and shareholders will be asked to approve a new Long-Term Incentive Plan at the AGM to be held on 10 February 2021. Assuming shareholders approve the new plan, no further awards will be granted under the existing Share Award Plan.

The committee believes that the new plan will motivate and retain key employees, while strengthening the relationship between long-term performance and reward. The plan is designed to be fully consistent with good practice for companies listed in Johannesburg and London and introduces a number of features which help create long-term alignment with institutional investor expectations.

Under the new Long-Term Incentive Plan, executive directors and other members of senior management will receive Performance Share Awards. These have a similar structure to the Conditional Awards granted under the existing Share Award Plan. Appreciation Rights will not be available under the new Long-Term Incentive Plan. It is the committee’s current intention to make grants of Performance Share Awards on an annual basis.

Central to the operation of the new plan is a shift to measuring performance over a three-year period, consistent with standard practice for incentive schemes of this kind at listed companies in both South Africa and the UK. This differs from the approach under the current Share Award Plan, where performance is assessed over three one-year periods for each award of shares. Measuring performance over three years ensures focus on continued performance over a longer-term period. In addition, and recognising the preferences of institutional investors based in the UK, a separate post-vesting holding period will apply to Performance Share Awards granted to executive management. This will mean that any shares which vest at the end of the three-year performance period must be held for a minimum of a further two years before they can be sold (this excludes any shares which are required to be sold to satisfy tax liabilities due at the point of vesting). Once vested, these shares will not be forfeited if the participant resigns within the two-year period.

Among other things, the new plan also includes extended recovery and withholding provisions, giving the committee the flexibility to apply

clawback to awards in a broader set of circumstances than currently applies under the Share Award Plan.

The new plan also provides the flexibility for the committee to grant Restricted Stock Awards to employees, recognising that this is common practice among global companies and so this approach will enable Tharisa to compete on a level playing field for the best executive talent. The Committee intends to use Restricted Stock Awards for selected members of staff who will not receive Performance Share Awards. Executive directors will not receive Restricted Stock Awards.

More information on the terms of the new plan is included in the remuneration policy section of this report and a detailed summary of the rules of the plan is included in the explanatory notes to the notice of AGM.

Subject to shareholder approval of the new plan, the committee proposes to make the first Performance Share Awards under the plan to selected participants (including executive directors) in early 2021. The intention is to grant initial awards at a level of between 80% and 125% of cost to company remuneration to executive management.

The performance conditions to apply to the first awards are set out below:

- Full vesting of the awards is subject to there being no fatality at the Tharisa Mine during the vesting period. In the event of a fatality occurring during the vesting period, the committee will assess the event and determine what reduced portion of the award, if any, should vest based on performance against the conditions described below.
- Subject to there being no fatality during the vesting period, the vesting of the awards will be subject to the following conditions:
 - 33.33% of the vesting is conditional on achieving market guidance in respect of PGM production as advised to the market at the commencement of the financial year
 - 33.33% of the vesting is conditional on achieving market guidance in respect of chrome concentrate

production as advised to the market at the commencement of the financial year

- 33.34% of the vesting is conditional on the achievement of certain specific long-term strategic targets for the business as determined by the committee at the time of granting the award

As noted above, performance will be measured over a three-year period. For the first awards, this three-year period will be the three financial years starting 1 October 2020.

In considering the achievement of the production targets, the committee will also have regard to EBITDA performance over the performance period. The committee will have the discretion to reduce the level of vesting against the production measures if it is not satisfied with EBITDA performance over the period based on the Board's planning at the start of the performance period. This is intended to reduce the risks of executives being incentivised on the basis of "production at all costs". In addition, and notwithstanding the extent to which any performance targets are satisfied, the committee also has the ability to reduce the level of vesting to ensure that the ultimate level of vesting is reflective of the underlying business performance of the Group or wider circumstances.

In addition to setting out actual performance against the three primary performance targets noted above on the vesting the awards in the relevant remuneration implementation report, the committee will also provide an appropriate narrative of the wider factors considered when determining the vesting result (e.g. including safety over the period and EBITDA performance).

The committee is satisfied that this framework provides an appropriate mix of targets for the first award under the new Long-Term Incentive Plan. The committee will review on an annual basis the measures and targets to apply to future awards under the plan.

It is worth highlighting that the committee did consider whether to apply a Total Shareholder Return (TSR) measure to a portion of the award, recognising

that TSR links reward closely to the shareholder experience and is commonly used in long-term incentives by companies in the mining sector. However, we have not gone down this route at this stage as we have been unable to identify an appropriate number of genuine comparator companies against which we can measure performance, and there is limited correlation between the historic TSR performance of other listed miners and Tharisa. As the Company continues to develop we will actively review whether it would be appropriate to use a TSR measure for long-term incentive awards to be made in the future.

NON-BINDING ADVISORY VOTE AT THE AGM

In terms of King IV recommendations, and the JSE Listings Requirements, the Company's remuneration policy and the remuneration implementation report, must be tabled for two separate non-binding advisory votes at every AGM. The purpose of the non-binding advisory votes is to enable shareholders of the Company to express their views on the Group's remuneration policy, and on its implementation.

At the AGM held on 29 January 2020, the resolutions to approve the remuneration policy and the remuneration implementation report were passed, with both resolutions receiving 86.4% support. The Remuneration Committee and the Board were thankful for this strong level of support from shareholders, and for the feedback received from those shareholders who voted against (which included requesting the introduction of a two-year holding period on vested long-term share awards which, as noted above, has been included as a feature of the new plan).

At the forthcoming AGM to be held on 10 February 2021, shareholders will again be asked to approve the remuneration policy and the remuneration implementation report by way of separate resolutions. In addition, and as noted above, approval will also be sought for the new Long-Term Incentive Plan. It is the recommendation of the Remuneration Committee and the Board that the remuneration policy, the

REMUNERATION REPORT CONTINUED

remuneration implementation report and the new Long-Term Incentive Plan be approved.

A summary of the principal terms of the proposed new Long-Term Incentive Plan can be found on pages 149 to 150, which forms part of the Notice of annual general meeting.

REMUNERATION COMMITTEE

All members of the committee are independent non-executive directors. The committee is chaired by Antonios Djakouris and other members of the committee are David Salter, Carol Bell and Roger Davey.

The responsibilities and duties of the committee are governed by terms of reference that are aligned with the recommendations of King IV and incorporate best practice. The terms of reference are available on the Company's website.

While the committee establishes, maintains, reviews and governs the Group's remuneration policy, it focuses mainly on the remuneration of executive directors, executives and senior management. The committee considers the remuneration framework of the Executive Chairman, CEO, CFO and other members of the executive management of the Company and its subsidiaries, with reference to international and local benchmarks.

The committee also considers the rules and performance requirements for the Group-wide cash bonus scheme, allocations in terms of the Group's long-term incentive schemes, discretionary bonuses and certain other employee benefits and schemes.

Both internal and external factors are taken into account in determining the remuneration framework, to ensure ongoing relevance and appropriateness in the context of the macroeconomic climate and the Group's business objectives, among others:

- inflation
- commodity prices
- bargaining unit negotiations and settlements in the industry
- production
- position on the cost curve

- profitability and cash flows
- skills availability and retention
- individual productivity and key performance indicators

During the year, the committee

- reviewed various aspects of the Group's remuneration policy, structure, and performance-based remuneration schemes
- considered the fixed total guaranteed packages and variable short-term and long-term incentives of executive management against market data of a comparator group comprising companies with a similar profile to Tharisa from an investor's point of view and approved annual increases for all employment levels outside of the bargaining unit
- reviewed and approved targets for the cash bonus scheme
- reviewed and approved the vesting conditions for the awards made during the year under the Group's existing long-term incentive scheme, and approved the awards granted under the scheme
- considered a proposal from independent external advisers on the terms of a new long-term incentive plan for executive directors and other senior executives.

Members of the committee are entitled to seek independent professional advice on any matter pertaining to the Company and the Group, at the Company's expense.

The committee met five times during the year under review.

GROUP REMUNERATION POLICY

Objective and philosophy

The objective of the Group's remuneration policy is to establish responsible, fair and equitable reward, which does not discriminate on the basis of race, gender, sex, pregnancy, marital status, family responsibility, ethnic or social origin, colour, sexual orientation, age, disability, religion, HIV status, conscience, belief, political opinion, culture, language, birth or on any other arbitrary ground.

The Group's remuneration policy reflects the dynamics of the market and the context in which the Group operates. The

policy plays a vital role in attracting, motivating and retaining high-calibre human resources with the necessary skills to effectively manage operations and grow the business, creating a strong performance-orientated environment and aligning employee interests with those of the Group's stakeholders in order to achieve the Group's strategic objectives and to promote an ethical culture and responsible citizenship among all Group companies and employees.

Furthermore, it aims to encourage and support a high performance and safety conscious culture while remaining flexible and adaptable to changes in the business and the market in which the Group operates. The Group regularly refers to independent remuneration surveys and benchmarks.

The remuneration policy applies to all employees who are permanently employed and is not applicable to employees of third-party contractors. The policy seeks to set out principles and practices around the management of employee remuneration.

Executive and employee remuneration comprises fixed and variable components, including:

- a fixed basic annual package, including benefits
- variable performance bonuses
- ownership of shares through participation in a long-term incentive scheme.

The Group aims to create and enforce a high-performance culture that motivates employees to achieve more than just satisfactory levels of performance by differentiating between excellent and mediocre performance. By ensuring that employees are recognised and rewarded for their performance in a fair and equitable manner, the Group strives to remunerate employees equitably according to the value they contribute to the Group.

The continual striving for, and achievement of, increased volumes mined, improved plant recoveries and increased production together with the retention of high calibre employees, supported by low management turnover are indicators that the policy is being achieved.

There is no dominant bargaining unit with the Association of Mineworkers and Construction Union of South Africa ('AMCU'), National Union of Mineworkers ('NUM') and Solidarity being represented on the mine. As at 30 September 2020, some 73% of employees eligible to belong to a union were unionised with 27% not being members of any of the bargaining units.

Executive directors

The remuneration of the executive directors is consistent with the remuneration policy principles as set out above. Each director is remunerated fairly and the remuneration paid to each director takes into account the individual director's level of responsibility, skills and experience. All executive directors have employment contracts, are remunerated in accordance with their function and position, and are not remunerated for their roles as directors.

Executive directors are subject to the Group's standard terms and conditions of employment with notice periods being six months. In line with the remuneration guidelines of King IV, no executives have extended employment contracts or special termination benefits. Should the Group elect to invoke the non-compete provisions of the employment contracts on termination, payments linked to the duration of the non-compete will be made.

Remuneration of key positions such as CEO and CFO is determined by making reference to remuneration surveys and benchmarking to peer companies in the mining sector for companies listed on the JSE and the LSE.

The executive directors are eligible to participate in the short-term cash bonus scheme and long-term incentive arrangements, as set out below.

While ensuring that the total remuneration of executive management remains fair and reasonable in the context of the achievement of the Group's strategic objectives, the Remuneration Committee is committed to reviewing and monitoring the overall Group remuneration and wage gap.

Fixed remuneration

Across the Group, guaranteed cost-to-company (fixed) remuneration packages and benefits (guaranteed pay) are determined per job grade, set at a competitive level by benchmarking prevailing market rates in the mining industry and are reviewed on an annual basis. The objective is to set levels of fixed remuneration for South African employees based on the 50th percentile for mining companies in South Africa and the 75th percentile for all companies nationally in South Africa, the purpose being to broaden the sample size and to include mining areas situated outside of the major mining economic hubs. The mining industry is, however, a very competitive market with a scarcity of appropriate skills and top-end salary scales are often paid to attract and retain critical skills. While the employee remuneration is set at a guaranteed cost-to-company amount, the employee is required to participate in the compulsory group provident fund, medical aid and risk benefits with the costs thereof being deducted from the cost to company amount. The risk benefits include life cover, disability, funeral and dread disease cover. Various other allowances are paid at certain job levels or to certain job categories.

Salaries are reviewed annually, taking into consideration the economic environment, country inflation, overall business and financial performance of the Group, affordability, market trends, individual merit and scarcity of skills.

Variable remuneration

Short-term and long-term incentives are geared to a number of performance factors in the business and achievement of individual performance, and do not form part of guaranteed remuneration. The remuneration philosophy establishes accountability by linking total reward to business objectives and execution thereof, in a fair and transparent manner in a bid to find a balance between shareholder return requirements, affordability and incentivisation. Actual participation in both short-term and long-term incentive schemes remains subject to approval by the Remuneration Committee.

Short-term cash bonus scheme

The Group has implemented a short-term cash bonus scheme for all bands of employees. The primary purpose of the cash bonus scheme is to create a culture of zero tolerance concerning non-compliance with safety requirements in supporting injury free, sustainable operations. A further objective of the bonus scheme is to reward superior performance, drive a culture of cost efficiency, and enhance teamwork and productivity.

Throughout all employee grades, the cash bonus is calculated at 15% of the individual employee's guaranteed annual remuneration package for on-target performance, capped at a maximum of 25% of the employee's guaranteed remuneration package for 'stretch' performance. These bonuses are not guaranteed, but are dependent on the achievement of safety standards and are payable only upon the achievement of production targets and personal performance standards. The quantum of bonuses is calculated in terms of a number of different bonus formulae, specific to an individual's area and grade of employment. The bonus formulae include a number of factors, with varying weighting, including:

- safety and fatality factors, which take into account the number of lost-time injuries (LTIs) and fatalities at the Tharisa Mine during the bonus period
- the value-added factor applicable to employees, which is a combined calculation of the performances of a number of measures relating to the mining and processing plants at the Tharisa Mine compared to budget, such as reef tonnes delivered to ROM pad, chrome feed grade and PGM feed grade, tonnes milled, plant running time, chrome recoveries, PGM recoveries with a different percentage being allocated to threshold, on-target and exceptional performance, and a zero percentage being applied for unacceptable performance
- the key performance indicator ('KPI') factor, which is dependent on the individual's performance assessment for the applicable bonus period
- the profit factor, which is determined with reference to the achievement of a specified EBITDA for the applicable bonus period as determined by the Remuneration Committee

REMUNERATION REPORT CONTINUED

- the disciplinary factor, which is determined with reference to the aggregate number of written warnings received by an individual as a result of misconduct in terms of the Group's policies and procedures.

In addition to the fatality and safety factors, the bonus formula for executive management (including executive directors) includes the performance factor applicable to executive management, which is dependent on:

- the executive's KPI factor
- the value-added factor for executive management, which is measured with respect to the achievement of annual Group consolidated EBITDA against budget for the bonus period, with a different percentage being allocated to on-target and exceptional performance, and zero percentage being allocated for unacceptable performance.

The bonuses are payable bi-annually in arrears for executive management (including executive directors), quarterly in arrears for senior management, management and employees graded Patterson grade E2 and above, and monthly in arrears for employees of grades E1 and below.

For employees at the Tharisa Mine working in various mining disciplines (drilling, blasting, loading and hauling, and engineering) a bonus scheme is in operation which pays bonuses based on individualised targets and performance, rather than on generic principles. The bonuses are paid weekly and bonus calculations are based on individual performance per shift or per day, ensuring that employees are motivated to perform on a daily basis.

An employee will not be entitled to any bonus in the event that prior to the payment date, the employee had been suspended pending a disciplinary enquiry or had been given a final written warning in terms of the employer company's policies and procedure in the quarter applicable to the bonus. If an employee ceases to be employed before the payment date of the cash bonus, the bonus will be forfeited.

However, if an employee's employment with any employer company terminates

before the end of the quarter applicable to the bonus due to death, ill-health, injury or disability as established to the satisfaction of the Remuneration Committee, retirement, retrenchment, or such other reason provided for in the rules of the cash bonus scheme, such employee will qualify for a pro rata bonus, based on the number of days served in the relevant bonus period.

The Remuneration Committee reviews and approves bonus targets to ensure that they are fair and transparent and that they support the aim to achieve maximum shareholder return.

Long-term incentives: Share Award Plan (existing plan)

To date, long-term incentives have been provided through the Tharisa Share Award Plan, approved by shareholders in 2014.

Under the Share Award Plan, the following awards may be made:

- Conditional Awards represent a specified number of shares in the Company, contingent on the achievement of performance conditions established by the Remuneration Committee. The vesting dates for these awards are also established by the Remuneration Committee and vesting takes place in three equal tranches.
- Appreciation Rights, which are rights to receive such number of shares in the Company equal to the increase in the market price of such shares on the JSE, between the date of grant and the date of exercise of the award. The award may be exercised between the vesting date as set by the Remuneration Committee and the fifth anniversary of the date of grant. Vesting of Appreciation Rights may also be contingent upon the achievement of performance conditions set by the Remuneration Committee and vesting takes place in two equal tranches.

Performance conditions have been attached to the vesting of the Conditional Awards and Appreciation Rights awarded to various employees at Paterson grade C5 and above, including:

- the achievement of certain minimum safety standards to reinforce the Tharisa Group's emphasis on safety and the strive for a zero harm work

environment, the vesting of all tranches of the Conditional Awards and Appreciation Rights awarded in terms of the Share Award Plan being conditional upon there being no fatality at the Tharisa Mine during the vesting period

- continued employment in good standing at the date of vesting
- the achievement of certain PGM and chrome concentrate production metrics
- the achievement of the individual key performance metrics set for the individual participant
- the achievement of certain financial metrics.

The number of awards and the performance conditions attached thereto are determined by the Remuneration Committee at the date of grant and included in the notice of the award. A summary of the awards granted to the executive directors and the performance conditions attached to the awards is included in the remuneration implementation report.

The Share Award Plan makes provision for the partial vesting of awards in the event of a participant ceasing to be in the employ of the Group due to death, injury, disability, ill-health, redundancy or retirement and in the event of certain corporate actions, including an offer to acquire the entire share capital of the Company, a scheme of arrangement, restructuring and voluntary winding up of the Company. Provided that the performance and safety metrics are met, the vesting is prorated based on the number of days served during the relevant vesting period under these circumstances.

The Share Award Plan also makes provision for individual participant and plan limits. On an individual basis, the aggregate number of shares realisable by any individual participant may not exceed 1 273 903 shares, being 0.5% of the ordinary issued share capital at the date of approval of the Share Award Plan. The aggregate number of shares that can be issued to all participants, is limited to 12 739 032 shares, being 5% of the ordinary issued share capital at the date of approval of the Share Award Plan. Vested awards may, at the election of the Remuneration Committee, be either share-settled or cash-settled as provided

in the rules of the Share Award Plan. To date, the preferred approach has been to issue treasury shares to settle vested awards.

During the financial year, the Company issued 5 000 000 new ordinary shares into the treasury share account and transferred 1 865 992 ordinary shares from its treasury shares account to satisfy the vesting of the Conditional Awards and exercise of Appreciation Rights by the participants of the Share Award Plan.

There is currently no minimum shareholding requirement for executive directors and executive management.

Long-term incentives: Long-Term Incentive Plan (new plan)

As set out in the Statement from the Chairman of the Remuneration Committee, a new Long-Term Incentive Plan will replace the Share Award Plan following shareholder approval at the AGM on 10 February 2021.

Under the Long-Term Incentive Plan, the following awards may be made:

- Performance Share Awards represent a right to acquire a specified number of shares in the Company, contingent on the achievement of performance conditions established by the committee. The vesting dates for these awards are also established by the committee and will be at least three years from the date of grant.
- Restricted Stock Awards represent a right to acquire a specified number of shares in the Company conditional on the achievement of performance conditions. The vesting dates for these awards are established by the committee.

Performance Share Awards are intended to be granted to executive directors and other senior executives. Restricted Stock Awards will be granted to selected other employees at the discretion of the committee typically with a Patterson Grade E2 and above.

The number of awards and the performance conditions attached thereto will be determined by the committee at the date of grant and included in the notice of the award. The committee will set targets for the Performance Share Awards which are challenging but

achievable and which are consistent with Tharisa's long-term strategic goals. A summary of the measures which the committee intends to apply to the first awards are set out on page 149. These include targets linked to PGM and chrome concentrate production as well as strategic measures, always subject to a profitability criteria, all of which are critical to the successful implementation of Group strategy over the longer-term. Awards will also be reduced in the event of a fatality at the Tharisa Mine during the vesting period.

Notwithstanding the extent to which any performance targets are satisfied, the committee also has the ability under the rules of the plan to reduce the level of vesting to ensure that the ultimate level of vesting is reflective of the underlying business performance of the Group or wider circumstances.

Dividends will be payable on all vested shares.

The Long-Term Incentive Plan provides for a post-vesting holding period to be applied to awards at the discretion of the committee. It is the committee's intention that such a holding period will only be applied to Performance Share Awards granted to executive management, and will require these participants to hold any shares which vest at the end of the three-year vesting period for a further two years (subject to any sales which are required to settle any tax liabilities due at the point of vesting).

The Long-Term Incentive Plan makes provision for the partial vesting of awards in the event of a participant ceasing to be in the employ of the Group due to death, injury, disability, ill-health, redundancy, retirement and in the event of certain corporate actions, including an offer to acquire the entire share capital of the Company, a scheme of arrangement and voluntary winding up of the Company. In these circumstances, and subject to the achievement of the relevant performance conditions, awards will vest and will be subject to a reduction based on the period between the award date and the date of leaving.

The Long-Term Incentive Plan includes recovery and withholding provisions which permit the committee to require

individuals to repay amounts in the event of the occurrence of certain specific circumstances, including a material misstatement of financial results, an error or miscalculation in the calculation of awards, fraud or gross misconduct having been committed by the relevant individual, or actions by the relevant individual which lead to corporate failure or material reputational damage having been suffered by the Company.

The Long-Term Incentive Plan also makes provision for individual participant and plan limits. On an individual basis, the aggregate number of Performance Share Awards and/or Restricted Stock Awards which may be held by any individual participant may not exceed 2 750 000 shares, being 1.0% of the ordinary issued share capital at the anticipated date of approval of the Long-Term Incentive Plan. The aggregate number of shares that can be issued to all participants is limited to 13 750 000 shares, being 5% of the ordinary issued share capital at the anticipated date of approval of the Long-Term Incentive Plan. Vested awards may, at the election of the committee, be either share-settled or cash-settled as provided in the rules of the Long-Term Incentive Plan.

No Award shall be granted under the Long-Term Incentive Plan more than ten years after the Adoption Date.

A summary of the rules of the new Long-Term Incentive Plan is set out in the explanatory notes to the notice of Annual General Meeting.

Remuneration of non-executive directors

Appointment of non-executive directors is governed by the Company's Articles of Association and the terms of appointment are set out in a formal letter of appointment. The initial term of appointment is three years and appointment can be extended thereafter. Continuation of appointment is conditional upon satisfactory performance, retirement by rotation and re-election at AGMs as required by the Articles of Association.

Appointment as a non-executive director may be terminated at any time by the Company in accordance with the Articles of Association and Cypriot Companies

REMUNERATION REPORT CONTINUED

Law, or upon resignation. Upon termination of the appointment or resignation as a director for any reason, non-executive directors are not entitled to any damages for loss of office and no fee is payable in respect of any unexpired portion of the term.

Non-executive directors are entitled to receive fees for their time, responsibilities and services as non-executive directors. An annual fee is paid to all directors and additional fees are paid based on membership and chairmanship of Board committees. Non-executive directors' fees are determined by the Board and are payable quarterly in arrears. Non-executive directors are not entitled to bonuses or to participate in the Group's short-term and long-term incentives. The office of a non-executive director is not pensionable.

The Board has agreed to maintain the non-executive directors' fees for the 2020 financial year unchanged, as follows:

US\$	FY2020	FY2019
Annual fee	42 500	42 500
Committee chairman	25 000	25 000
Committee member	18 000	18 000

REMUNERATION IMPLEMENTATION REPORT

This remuneration implementation report explains the application of the remuneration policy for the 2020 financial year and sets out the remuneration received by the directors in respect of the year.

The Group Remuneration Policy was complied with during the year under review.

Fixed remuneration

The executive directors guaranteed remuneration, which is USD denominated, was adjusted with effect from 1 October 2019 by a cost of living factor of 2%. The majority of the employees of the group are based in South Africa and the guaranteed remuneration is paid in ZAR. Similarly, the employees at Patterson Grade C5 and above received a cost of living factor adjustment with effect from 1 October 2019 of 5%.

Short-term incentives

Due to the operational uncertainty during the South African national lockdown as a consequence of the COVID-19 pandemic and to conserve liquidity, the committee suspended the payment of the short term incentives to employees, other than for production specific bonuses that were paid to employees working on the mine during this period. Following the easing of the risk adjusted lockdown provisions, the committee lifted the suspension of the bonus payments with effect from 1 October 2020. In addition, based on the operational performance of the Tharisa Mine during this period, the committee agreed to the backdating of the bonus for the last two quarters of the financial year. In calculating the performance metrics, adjustments were made by the committee to take account of the period of reduced production during the lockdown period i.e. normalising the production over this period as well as taking account of the unseasonally heavy rainfall. The EBITDA metric was not adjusted and, while the production metrics were met in part, the profitability metric was not met. The bonuses were calculated and provided for on this basis.

Long-term incentives

Awards of long-term incentives have to date been granted under the Share Award Plan. Details of the performance conditions attaching to awards granted under this plan and still subject to vesting are set out below.

2015 award

The second awards under the Share Award Plan were made on 30 June 2015, comprising both Conditional Awards and Appreciation Rights. The vesting of these awards was subject to:

- There being no fatality at the Tharisa Mine during the vesting period. In the event of a fatality occurring during a particular vesting period, the vesting for that tranche would be forfeited.
- Subject to there being no fatality during a vesting period, the vesting of each tranche was subject to the following conditions, as determined on the date of the awards:
 - 33.34% of the vesting was conditional upon the participant's continued employment in good standing

- 33.33% of the vesting was conditional on the achievement of certain PGM production metrics
- 33.33% of the vesting was conditional on the achievement of certain chrome concentrate production metrics.

These performance conditions for the performance period, being 1 July to 30 June for each vesting period, were measured at each vesting date and applied to the tranche which was eligible for vesting at that date.

As a consequence of the fatality that occurred on 28 September 2015, the vesting of the first tranche of the 2015 awards granted on 30 June 2015 was forfeited. The second tranche of the Conditional Awards vested on 30 June 2017 and the second and final tranche of the Appreciation Rights vested on the same date. The final tranche of the Conditional Awards vested on 30 June 2018. All the tranches of the 2015 award have now vested.

The Appreciation Rights granted on 30 June 2015 were scheduled to lapse on 30 June 2020, being five years from the date of the award. During the 2020 financial year, the committee exercised its discretion in terms of the rules of the Share Award Plan and approved an extension of the exercise period by 12 months to 30 June 2021. Against the backdrop of the considerable market volatility triggered by the COVID-19 global pandemic, the committee agreed that, although the Appreciation Rights were not "out the money" (i.e. they could have been exercised as the market price remained above the exercise price at the time of extending the exercise window), it would not be in the interests of the Company for participants to be forced to exercise Appreciation Rights and sell shares (to settle the associated tax obligations) by 30 June 2020, recognising the negative external message that this may send. The committee's decision to extend the exercise period applies to all participants holding vested but unexercised Appreciation Rights (not just executive directors).

2016 award

The third awards under the Share Award Plan were made on 30 June 2016, comprising both Conditional Awards and Appreciation Rights. The vesting of these awards for eligible and participating employees other than executive directors and members of the Group executive management was subject to:

- There being no fatality at the Tharisa Mine during the vesting period. In the event of a fatality occurring during a particular vesting period, the vesting for that tranche would be forfeited.
- Subject to there being no fatality during a vesting period, the vesting of each tranche was subject to the following conditions, as determined on the date of the awards:
 - 33.34% of the vesting was conditional upon the participant's continued employment in good standing
 - 33.33% of the vesting was conditional on the achievement of certain PGM production metrics
 - 33.33% of the vesting was conditional on the achievement of certain chrome concentrate production metrics.

Vesting conditions for executive directors and members of the Group executive management were as follows:

- There being no fatality at the Tharisa Mine during the vesting period. In the event of a fatality occurring during a particular vesting period, the vesting for that tranche would be forfeited.
- Subject to there being no fatality during a vesting period, the vesting of each tranche was subject to the following conditions, as determined on the date of the awards:
 - 65.0% of the vesting was conditional upon the achievement of the individual key performance metrics set for the participant
 - 17.5% of the vesting was conditional on the achievement of certain PGM production metrics
 - 17.5% of the vesting was conditional on the achievement of certain chrome concentrate production metrics.

These performance conditions for the performance period, being 1 July to 30 June for each vesting period, were measured at each vesting date and

applied to the tranche which was eligible for vesting at that date.

The first and second tranches of both the Conditional Awards and Appreciation Rights vested on 30 June 2017 and 30 June 2018 respectively, and the third tranche of the Conditional Awards vested on 30 June 2019. All the tranches of the 2016 award have now vested.

2017 award

The fourth awards under the Share Award Plan were made on 30 June 2017, comprising both Conditional Awards and Appreciation Rights. The vesting of these awards was subject to:

- There being no fatality at the Tharisa Mine during the vesting period. In the event of a fatality occurring during a particular vesting period, the vesting for that tranche would be forfeited.
- Subject to there being no fatality during a vesting period, the vesting of each tranche was subject to the following conditions, as determined on the date of the awards:
 - 33.34% of the vesting was conditional upon the participant's continued employment in good standing
 - 33.33% of the vesting was conditional on the achievement of certain PGM production metrics, being
 - 33.33% of which vesting on a minimum production of 147.4 k 6E PGM ounces
 - 16.67% of which vesting on production above 140.0 k 6E PGM ounces and
 - 33.33% of which forfeited in the event that production was below 140.0 k 6E PGM ounces
 - 33.33% of the vesting was conditional on the achievement of certain chrome concentrate production metrics, being
 - 33.33% of which vesting on a minimum production of 1.33 Mt of total chrome concentrates
 - 16.67% of which vesting on production above 1.26 Mt, but below 1.33 Mt of total chrome concentrates and
 - 33.33% of which forfeited in the event that production was below 1.26 Mt of total chrome concentrates.

These performance conditions for the performance period, being 1 July to 30 June for each vesting period, were measured at each vesting date and applied to the tranche which was eligible for vesting at that date. The first and second tranches of both the Conditional Awards and Appreciation Rights vested on 30 June 2018 and 30 June 2019 respectively, and the third tranche of the Conditional Awards vested on 30 June 2020.

Based on the fact that the vesting period had been fatality free and taking into account the impact of the COVID-19 pandemic on production, the committee exercised its discretion in determining the vesting percentages applicable to the third and final vesting on 30 June 2020, and determined the third tranche to vest in full for participants employed in good standing at the vesting date, notwithstanding the fact that the 6E PGM production during the vesting period had been 142.1 koz. Chrome production during the vesting period qualified for full vesting (33.33%). All the tranches of the 2017 award have now vested.

2018 award

The fifth awards under the Share Award Plan were made on 30 June 2018, comprising both Conditional Awards and Appreciation Rights. The vesting of these awards is subject to:

- there being no fatality at the Tharisa Mine during the vesting period. In the event of a fatality occurring during a particular vesting period, the vesting for that tranche is forfeited
- subject to there being no fatality during a vesting period, the vesting of each tranche is subject to the following conditions, as determined on the date of the awards:
 - 33.33% of the vesting is conditional upon the participant's continued employment in good standing
 - 16.67% of the vesting is conditional on the achievement of certain PGM production metrics, being
 - 16.67% of which vesting on a minimum production of 163.7 k 6E PGM ounces
 - 8.34% of which vesting on production above 155.5 k 6E PGM

REMUNERATION REPORT CONTINUED

- ounces, but below 163.7 6E PGM ounces and
- 16.67% of which forfeited in the event that production was below 155.5 k 6E PGM ounces
- 16.67% of the vesting is conditional on the achievement of certain chrome concentrate production metrics, being
 - 16.67% of which vesting on a minimum production of 1.49 Mt of total chrome concentrates
 - 8.34% of which vesting on production above 1.42 Mt, but below 1.49 Mt of total chrome concentrates and
 - 16.67% of which forfeited in the event that production was below 1.42 Mt of total chrome concentrates
- 33.33% of the vesting is conditional on the achievement of certain financial metrics (measured against budgeted EBITDA (adjusted for actual commodity selling prices and USD:ZAR exchange rates) of Tharisa Minerals for employees in Patterson band D and lower, and measured against budgeted EBITDA of the Tharisa Group for executive directors, Group executive management and employees in Patterson band E and higher) being:
 - 33.33% of which vesting in the event that the budgeted (adjusted) EBITDA is achieved or exceeded
 - 16.67% of which vesting in the event that between 95% and 100% of the budgeted (adjusted) EBITDA is achieved and
 - 33.33% of which forfeited in the event that the EBITDA was below 95% of the budgeted, adjusted EBITDA.

These performance conditions for the performance period, being 1 July to 30 June for each vesting period, are measured at each vesting date and applied to the tranche which was eligible for vesting at that date.

As reported last year, the committee determined that only 50% of the first tranches of both the Conditional Awards and Appreciation Rights vested on 30 June 2019. The remaining 50% was forfeited as a consequence of the production and EBITDA metrics not having been met.

Based on the fact that the vesting period was fatality free, the committee determined during FY2020 that only 33.33% of the second tranches of both the Conditional Awards and Appreciation Rights vested on 30 June 2020 for participants employed in good standing on the vesting date. The remaining 66.67% was forfeited as a consequence of the production and EBITDA metrics not having been met.

2019 award

The sixth awards under the Share Award Plan were made on 30 June 2019, comprising both Conditional Awards and Appreciation Rights. The vesting of these awards is subject to:

- there being no fatality at the Tharisa Mine during the vesting period. In the event of a fatality occurring during a particular vesting period, the vesting for that tranche is forfeited
- subject to there being no fatality during a vesting period, the vesting of each tranche is subject to the following conditions, as determined on the date of the awards:
 - 33.33% of the vesting is conditional upon the participant's continued employment in good standing
 - 16.67% of the vesting is conditional on the achievement of certain PGM production metrics, being
 - 16.67% of which vesting on a minimum production of 177.6 k 6E PGM ounces
 - 8.34% of which vesting on production above 168.7 k 6E PGM ounces, but below 177.6 6E PGM ounces and
 - 16.67% of which forfeited in the event that production was below 168.7 k 6E PGM ounces
 - 16.67% of the vesting is conditional on the achievement of certain chrome concentrate production metrics, being
 - 16.67% of which vesting on a minimum production of 1.57 Mt of total chrome concentrates
 - 8.34% of which vesting on production above 1.49 Mt, but below 1.57 Mt of total chrome concentrates and
 - 16.67% of which forfeited in the event that production was below 1.49 Mt of total chrome concentrates

- 33.33% of the vesting is conditional on the achievement of certain financial metrics (measured against budgeted EBITDA (adjusted for actual commodity selling prices and USD:ZAR exchange rates) of Tharisa Minerals for employees in Patterson band E1 and lower, and measured against budgeted EBITDA of the Tharisa Group for executive directors, Group executive management and employees in Patterson band E2 and higher), being
 - 33.33% of which vesting in the event that the budgeted (adjusted) EBITDA is achieved or exceeded
 - 16.67% of which vesting in the event that between 95% and 100% of the budgeted (adjusted) EBITDA is achieved and
 - 33.33% of which forfeited in the event that the EBITDA was below 95% of the budgeted, adjusted EBITDA.

These performance conditions for the performance period, being 1 July to 30 June for each vesting period, are measured at each vesting date and applied to the tranche which was eligible for vesting at that date.

Based on the fact that the vesting period has been fatality free, the committee determined that only 33.33% of the first tranches of both the Conditional Awards and Appreciation Rights vested on 30 June 2020 for participants employed in good standing on the vesting date. The remaining 66.67% was forfeited as a consequence of the production and EBITDA metrics not having been met.

2020 award

The seventh awards under the Share Award Plan were made on 30 June 2020, comprising Conditional Awards only. The vesting of these awards is subject to:

- there being no fatality at the Tharisa Mine during the vesting period. In the event of a fatality occurring during a particular vesting period, the vesting for that tranche is forfeited
- subject to there being no fatality during a vesting period, the vesting of each tranche is subject to the participant's continued employment in good standing during the vesting period

- vesting is also subject to the following conditions, as determined on the date of the awards:
 - 40% of the vesting is conditional upon the achievement of market guidance for PGM production publicly disclosed and referenced to the commencement of the respective financial reporting period
 - 40% of the vesting is conditional on the achievement of market guidance for chrome concentrate production publicly disclosed and referenced to

the commencement of the respective financial reporting period, adjusted to exclude the production from the Vulcan Plant

- 20% of the vesting is conditional on the achievement of specific targets linked to the construction of, and production from, the Vulcan Plant. These targets are currently considered commercially confidential but the current intention is to disclose them retrospectively at the end of the vesting period for the final tranche of the awards.

These performance conditions for the performance period, being 1 July to 30 June for each vesting period, are measured at each vesting date and applied to the tranche which was eligible for vesting at that date.

Subject to shareholder approval of the new Long-Term Incentive Plan at the AGM to be held on 10 February 2021, no further awards will be granted under the Share Award Plan.

Executive directors' and other key management remuneration

US\$'000	Fixed remuneration			Variable remuneration			Total 2020	Total 2019
	Basic salary	Expense allowance	Provident fund contributions and risk benefits	Share-based payments	Bonus paid			
L Pouroulis	735	-	-	146	25	906	1 278	
P Pouroulis	494	7	42	146	17	706	993	
M Jones	408	-	31	95	17	551	800	
Other key management	1 098	24	113	279	60	1 574	2 451	

Non-executive directors' fees for the year under review

US\$'000	Annual fee	Audit Committee	Nomination Committee	Remuneration Committee	SHE Committee	Other in Group companies	Total 2020	Total 2019
JD Salter	43	18	25	18	25	45	174	177
A Djakouris	43	25	18	25	18	-	129	129
OM Kamal	43	18	-	-	-	-	61	61
C Bell	43	18	-	18	18	-	97	97
RO Davey	43	-	-	18	18	-	79	79
ZL Hong	43	-	-	-	-	-	43	43
J Cheng ¹	14	-	-	-	-	-	14	43
JZ Hu ²	27	-	-	-	-	-	27	-
VWY Chu ³	2	-	-	-	-	-	2	-

¹ Retired from the Board on 29 January 2020

² Appointed to the Board on 29 January 2020 and resigned on 17 September 2020

³ Appointed to the Board on 17 September 2020

The Risk Committee comprises all members of the Board and does not carry a fee. The Social and Ethics and the New Business Committees do not carry a fee.

Other disclosures

No payments were made in relation to loss of office during FY2020 nor were any payments made to any former directors.

REMUNERATION REPORT CONTINUED

Executive directors' interests in the Tharisa Share Award Plan Conditional awards

Director and offer date	Opening balance of unvested awards	Market value at date of award ZAR	Allocated	As at 30 September 2020					
				Value at date of award ZAR	Vested	Vesting price ZAR	Forfeited	Total unvested	Market value of unvested awards# US\$'000
L Pouroulis									
30 June 2017	107 196	17.53			107 196	12.50	–	–	
30 June 2018	176 092	17.96			29 346	12.50	58 700	88 046	78
30 June 2019	325 530	20.08			36 166	12.50	72 344	217 020	192
30 June 2020			578 424	13.27	–	–	–	578 424	513
Total	608 818		578 424		172 708		131 044	883 490	783
P Pouroulis									
30 June 2017	94 294	17.53			94 294	12.50	–	–	
30 June 2018	159 728	17.96			26 619	12.50	53 245	79 864	71
30 June 2019	359 568	20.08			39 948	12.50	79 908	239 712	212
30 June 2020			635 664	13.27	–	–	–	635 664	564
Total	613 590		635 664		160 861		133 153	955 240	847
M Jones									
30 June 2017	79 404	17.53			79 404	12.50	–	–	
30 June 2018	128 984	17.96			21 495	12.50	42 997	64 492	57
30 June 2019	196 164	20.08			21 794	12.50	43 594	130 776	116
30 June 2020			345 804	13.27	–	–	–	345 804	307
Total	404 552		345 804		122 693		86 591	541 072	480

Market value based on closing share price of ZAR14.81 and ZAR/USD exchange rate of ZAR16.70 at 30 September 2020

Appreciation rights

As at 30 September 2020

Director and offer date	Unvested balance	Market value at date of award ZAR	Allocated	Value at date of award	Vested	Exercised	Total vested but not exercised	Forfeited	Lapsed	Total unvested
L Pouroulis										
30 June 2015*		6.44					79 192			
30 June 2016		10.14					402 306			
30 June 2017		17.53					321 588			
30 June 2018	132 069	17.96			44 019		110 054	88 050		
30 June 2019	325 530	20.08			54 250		54 250	108 515		162 765
Total	457 599				98 269		967 390	196 565	-	162 765
P Pouroulis										
30 June 2015*		6.44					65 993			
30 June 2016		10.14					335 255			
30 June 2017		17.53					282 882			
30 June 2018	119 796	17.96			39 928		99 826	79 868		
30 June 2019	359 568	20.08			59 922		59 922	119 862		179 784
Total	479 364				99 850		843 878	199 730	-	179 784
M Jones										
30 June 2015*		6.44					59 394			
30 June 2016		10.14					301 730			
30 June 2017		17.53					238 212			
30 June 2018	96 738	17.96			32 243		80 612	64 495		
30 June 2019	196 164	20.08			32 691		32 691	65 391		98 082
Total	292 902				64 934		712 639	129 886	-	98 082

*As explained on page 84, the committee extended the exercise period of the 2015 Appreciation Rights by 12 months to 30 June 2021.

DIRECTORS' REPORT

The Board of Directors of Tharisa plc ('the Company') presents to the members its report together with the condensed consolidated financial statements of the Company and its subsidiaries (together with the Company, 'the Group') for the year ended 30 September 2020.

The Company is a Cypriot incorporated public company with a primary listing on the main board of the Johannesburg Stock Exchange and a secondary standard listing on the main board of the London Stock Exchange.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of an investment holding company. Tharisa maintains a primary listing on the Johannesburg Stock Exchange under the general mining sector and a secondary, standard listing of its depository interests on the London Stock Exchange. The Company has controlling interests in PGMs and chrome mining, processing operations and associated sales and logistics operations. The Group holds a 74% shareholding in Tharisa Minerals Proprietary Limited ('Tharisa Minerals'). Tharisa Minerals owns and operates the Tharisa Mine, an open pit PGM and chrome mine located in the Bushveld Complex of South Africa.

FINANCIAL RESULTS

The results of the Group are disclosed in the condensed consolidated statement of profit or loss and other comprehensive income on page 94 of this report.

DIVIDENDS

It is the Group's policy to pay a minimum of 15% of its consolidated net profit after tax as a dividend.

A dividend of US 0.25 cents per share was proposed by the Board on 26 November 2019, approved by shareholders on 29 January 2020 and paid on 26 February 2020.

The following dividends were declared in respect of the year ended 30 September 2020:

- A final ordinary dividend of US 3.5 cents per share was proposed by the Board on 27 November 2020, and is subject to shareholder approval at the AGM.

The total dividend for FY2020 is therefore US 3.5 cents per share, equating to 17.1% of its consolidated net profit after tax (2019: US 0.75 cent per share).

SHARE CAPITAL AND TREASURY SHARES

The authorised share capital of the Company comprises 10 000 million ordinary shares of US\$0.001 each and 1 051 convertible redeemable preference shares of US\$1 each.

On 22 September 2020, the Company issued 5 000 000 shares in treasury shares. Of the 275 000 000 shares in issue at 22 September 2020, 8 389 049 shares were in treasury to satisfy the Company's obligations relating to the vesting of the Conditional Awards of the Tharisa Share Award Plan ('TSAP') on 30 June 2020 and to make provision for the potential requirement to allot shares on participants in the TSAP exercising vested Appreciation Rights, and 266 610 951 had voting rights.

During the financial year, the Company transferred 1 865 992 ordinary shares from its treasury shares account to satisfy the vesting of the Conditional Awards and exercise of Appreciation Rights by the participants of the Share Award Plan. Following these transactions, 268 476 314 shares had voting rights and 6 523 686 were held in treasury at 30 September 2020. At 30 September 2020, the issued and fully paid ordinary share comprised 275 000 000 ordinary shares.

MAIN RISKS

The main financial risks faced by the Group are disclosed in notes 32 and 34 of the consolidated annual financial statements which are available on the Company's website, www.tharisa.com.

FUTURE DEVELOPMENTS

Vulcan Plant

Tharisa's R&D team has developed the Vulcan process to extract the fine chrome from current in-line tailings from the combined feed of the Genesis and Voyager Plants. The primary aim of the Vulcan Plant is to increase chrome recovery from the current 65% target to 82% at the Tharisa Mine, capable of adding an additional 400 ktpa (ca. 30% of current production) of chrome

concentrate output. Vulcan will use a proprietary process using existing technologies to improve chrome recoveries with the process having been rigorously tested and proven through pilot plant test work and the operation of a production scale demonstration plant. The total capital cost of US\$54.2 million includes contingency and owner's cost. This project was approved and commissioned at the end of FY2019. The South African national lockdown as a consequence of the coronavirus pandemic, which affected South Africa commencing in March 2020, meant this project was put on hold as economic activity was limited. Project restart was approved at the end of FY2020 following the relaxation of the lockdown provisions with economic activity in South Africa resuming with anticipated completion in 12 months, funded from internal cash flows and available facilities.

Karo Holdings

In June 2018, Tharisa acquired a 26.8% shareholding in Karo Holdings. Karo Holdings entered into an investment agreement with the Republic of Zimbabwe on 22 March 2018, in terms of which Karo Holdings has undertaken to establish an integrated PGM mining complex. The project aims to include PGM mines, concentrators, smelters, a base metal and precious metals refinery, as well as renewable power generation capacity made available to the Zimbabwe power grid.

Karo Platinum, an indirect subsidiary of Karo Holdings, applied for and was awarded PGM rights under a Special Grant under the Zimbabwe Mines and Minerals Act, covering an area of 23 903 ha. The licence area is situated on the Great Dyke in the Mashonaland West District of Zimbabwe. This area of land had been released by Zimbabwe Platinum Mines (Private) Limited from its mining lease area in support of the government of Zimbabwe's efforts to enable participation by other investors in the platinum mining industry in Zimbabwe. In terms of the Special Grant, Karo Platinum will be entitled to mine PGMs situated within the licence area. Significantly, the Zimbabwe Special Economic Zones authority has declared a portion of Selous measuring 50 667 ha as a Special Economic Zone. The zone is

located on certain pieces of land covered by special mining grants issued to a subsidiary of Karo Holdings. Karo Platinum completed an initial exploration drilling campaign during the past year. The determination of the code compliant mineral resource is in process, to be supported by a follow-up drilling campaign.

Tharisa remains committed to the project and the work leading up to a feasibility study is ongoing.

Salene Chrome

Tharisa was granted a call option to acquire a 90% shareholding in Salene Chrome, exercisable on completion of the exploration programme. This option has been mutually extended to 31 December 2020 given the impact of COVID-19. Salene Chrome holds three Special Grants covering an area of approximately 9 500 ha on the eastern side of the Great Dyke in Zimbabwe. The Special Grants entitle Salene Chrome to mine the minerals thereon including chrome. Salene Chrome, in the year under review, established a working site and began lumpy chrome ore extraction from surface. Operations were intermittent during the COVID-19 lockdown measures. Initial sales have taken place and the logistics routes, benefiting from the Special Economic Zone status, are being proven with the successful routing of lumpy chrome to port in South Africa. Salene is planned to ramp up operations in 2021.

BRANCHES

The Group did not operate any branches during the financial year ended 30 September 2020.

MEMBERS OF THE BOARD OF DIRECTORS

The members of the Board as at 30 September 2020 and at the date of this report are:

- Loucas Christos Pouroulis (Executive Chairman)
- Phoevos Pouroulis (CEO)
- Michael Gifford Jones (CFO)
- 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 Owen Davey (independent non-executive director)
- Zhong Liang Hong (non-executive director)
- Vaneese Wing Ye Chu (non-executive director)

Biographical details of the members of the Board appear in the Board of Directors section of the Integrated Annual Report, which is available at www.tharisa.com.

There has been no change in the allocation of responsibilities of the Board between 30 September 2019 and 30 September 2020. During the year, the composition of the board changed as follows:

- Joanna Ka Ki Cheng retired by rotation on 29 January 2020
- Julia Zhengzhi Hu was appointed on 29 January 2020 and resigned on 17 September 2020
- Vaneese Wing Ye Chu was appointed on 17 September 2020

GROUP COMPANY SECRETARY

Sanet Findlay serves as the Company Secretary and Lysandros Lysandrides as the Assistant Company Secretary.

The Board formally assessed and considered the performance and qualifications of the Company Secretaries and is satisfied that they are competent, suitably qualified and experienced. They are not directors of the Company, nor are they related or connected to any of the directors and the Board is satisfied that they maintain an arm's length relationship with the Board. Their contact details are as follows:

Sanet Findlay
2nd Floor, The Crossing
372 Main Road
Bryanston, 2191
South Africa

Lysandros Lysandrides
26 Vyronos Avenue
1096, Nicosia
Cyprus

EVENTS AFTER THE REPORTING PERIOD

Events after the reporting period are disclosed in note 22 of the consolidated financial statements, which are available on the Company's website.

INDEPENDENT AUDITOR

Ernst & Young Cyprus Limited, with Stavros Pantzaris being the designated registered auditor, was appointed as the independent external auditor of the Company and of the Group on 29 January 2020. Ernst & Young Cyprus Limited has expressed its willingness to continue in office and its reappointment will be proposed at the AGM.

On behalf of the Board

Phoevos Pouroulis
Michael Jones
Cyprus

27 November 2020

REPORT OF THE AUDIT COMMITTEE

The Audit Committee is pleased to present its report for the 2020 financial year.

COMPOSITION

All members of the committee are independent non-executive directors. The committee is chaired by Antonios Djakouris and other members of the committee are David Salter, Omar Kamal and Carol Bell. The Board is satisfied that the members of the committee have the appropriate mix of qualifications and experience in order for the committee to fulfil its responsibilities appropriately.

The Group's independent external auditor, independent internal auditors, Chief Finance Officer and Chief Executive Officer attend committee meetings by invitation. As with all other committees, all directors are able to attend Audit Committee meeting in line with King IV recommendations. The committee also meets with the internal and external auditors without any executive directors being present.

The committee met four times during the year under review and discharged its responsibilities in terms of the approved terms of reference, which is available on the Company's website.

ROLE

The committee is accountable to the Board and to shareholders. It provides the Board with additional assurance regarding the quality and reliability of the financial statements of the Group and financial information used by the Board. It, however, does not relieve members of the Board of their fiduciary duties and responsibilities and Board members must exercise due care and judgement so as to comply with their legal obligations. The committee has unrestricted access to all Company and Group information and may seek information from any employee. The committee may also consult external professional advisers in executing its duties.

The Chairman of the committee reports to the Board after each meeting of the committee and the minutes of meetings of the committee are provided to the Board.

ACTIVITIES OF THE COMMITTEE DURING THE YEAR

Annual financial statements and integrated annual report

The committee reviewed and monitored the integrity of financial reports, including the interim financial statements and annual financial statements, and assessed the financial reporting process, procedures and controls, which it found

to be effective. It reviewed the accounting policies and procedures adopted by the Group and ensured that financial statements were prepared based on appropriate accounting policies and in accordance with IFRS, IFRS as adopted by the EU, the Cyprus Companies Law and the JSE Listings Requirements.

The committee considered, with the assistance of the Tharisa Subsidiaries' Audit Review Committee, all entities included in the consolidated Group IFRS financial statements, to ensure that it has access to all the financial information of the Company and the Group. The Chairman of the Tharisa Subsidiaries' Audit Review Committee reports on its meetings to the committee and minutes of the meetings of the Tharisa Subsidiaries' Audit Review Committee are circulated to the committee.

The committee also assessed and confirmed the appropriateness of the going concern assumption used in the annual financial statements, taking into account management budgets and forecasts.

The committee reviewed the integrated annual report, reporting process and governance and financial information included in the integrated annual report for accuracy and recommended to the Board that the annual financial statements and the financial information included in the integrated annual report be approved.

External audit

During the year under review, the committee considered and approved the terms of engagement, scope of the external audit and audit fees.

It reviewed audit findings and management's response thereto and monitored and encouraged cooperation between external and internal auditors. It considered the nature and extent of the non-audit services that may be provided by the external auditor. All non-audit services provided by the external auditor are preapproved on the basis that the provision of these services does not affect the independence of the external auditor.

During the year, EY provided only tax compliance services as non-audit services. None of the non-audit services were provided on a contingent fee basis.

The committee also discussed with the external auditor their opinion of the level of ethical conduct of the Group, its executives and senior managers and held separate meetings with management and the external auditor. The external auditor's right to direct access to the Chairman of the Audit Committee and the Chairman of the Board was reiterated.

In addition, the committee evaluated the independence, effectiveness, expertise and performance of the external auditor. As part of this process, the committee considered and assessed the Partner Accreditation Pack provided by EY Cyprus in compliance with section 22 of the JSE Listings Requirements, which comprised the following documents:

- The most recent firm-wide control procedures review report for EY Cyprus as a firm (European Standards/ISQC1 inspection), issued by the Cyprus Public Audit Oversight Board ('CyPAOB')
- The most recent Association of Chartered Certified Accountants ('ACCA') and Institute of Certified Public Accountants of Cyprus ('ICPAC') inspection report of EY Cyprus as a firm (ISQC1 inspection) which also includes the engagement review inspection
- A summary of the outcome of the engagement partner's latest internal quality review
- A copy of the EY Cyprus 2019 Transparency Report which contains the ISQC1 information as specified by the JSE
- The results of the Audit Quality Review Programme, together with the most recent independent regulatory inspection visits, combined with other ongoing monitoring procedures which provide EY Cyprus with a basis to conclude that its internal quality control systems are designed appropriately and are operating effectively, and that no systemic deficiencies have been identified
- A summary of legal and disciplinary proceedings against EY Cyprus, which were concluded within the past seven years (none).
- The latest proof of registration of EY Cyprus as a JSE accredited audit firm.

Based on the information provided in the Partner Accreditation Pack, the committee confirmed that EY Cyprus and the designated individual audit partner, Stavros Pantzaris, are accredited on the JSE's list of auditors and following an assessment of their suitability for

appointment, it is the committee's recommendation that EY Cyprus, and Stavros Pantzaris as the designated audit partner, be reappointed as external auditor at the Company's AGM to be held on 10 February 2021.

Internal control, risk management and information technology

The committee is responsible for reviewing the effectiveness and adequacy of internal controls, including financial controls, risk management systems and information technology risks relating to financial reporting. It is also responsible for considering the major findings of any internal investigations into control weaknesses, fraud or misconduct, and management's response thereto.

The Board has delegated responsibility for IT governance to the committee. Assurance on the IT systems and processes is provided by the Group's internal auditors and external consultants for more specialised work, and findings are reported to the committee. This ensures that any and all material findings are addressed appropriately. The committee receives quarterly reports prepared by the Group IT Manager on and monitors the adequacy and effectiveness of the Group's information technology controls and risks.

Having considered, analysed, reviewed and debated information provided by management, internal auditors and external auditor, the committee considered that the internal controls of the Group were effective in all material aspects throughout the year under review.

Budget

The committee reviewed and recommended the FY2021 budget for approval by the Board.

Dividend

The committee reviewed and recommended the final dividend proposal for approval by the Board.

Internal audit

The independent internal audit function is fulfilled by Deloitte.

During the year under review, the committee reviewed the effectiveness and adequacy of the internal control systems and reviewed and considered reports from the internal auditors. It monitored the status of implementation of recommendations on identified control weaknesses by management and discussed with the internal auditors their

opinion of the level of ethical conduct of the Group, its executives and senior managers.

The committee also considered and approved the terms of engagement, scope of the internal audit workstreams and any deviations or changes thereto, and the internal audit plan for FY2021.

It reviewed significant findings, management comments thereon and action plans. The committee discussed with the internal auditors their experiences and views on the level of access to required information and resources, and any difficulties encountered relating to their internal audit work, such as restrictions in the identification of risk areas and/or the scope of internal control workstreams and reiterated their right to direct access to the chairman of the Audit Committee and the chairman of the Board.

Furthermore, the committee evaluated the independence, effectiveness and performance of the internal auditors and recommended Deloitte's continued employment as internal auditors of the Company and the Group.

Combined assurance

The committee considered the combined assurance received from management and the internal and external auditors and is satisfied that the significant risks facing the Group were being appropriately addressed. To this end, the Audit Committee examined and encouraged the cooperation between the internal and external auditors.

Chief Finance Officer and finance function

The committee reviewed the performance, qualifications and expertise of Michael Jones, the Chief Finance Officer, and is satisfied as to his suitability to act as Chief Finance Officer of the Company and the Group. It also confirmed that the finance department as a whole was adequately resourced and experienced to execute the Group's finance function.

JSE Proactive monitoring process

The JSE implemented a proactive review and monitoring process in 2010. In terms of this process, the financial statements of every listed company will be selected for review at least once every five years. The JSE has partnered with the Department of Accountancy at the University of Johannesburg (UJ) whose academic employees assist with the initial review process. The process involves the

JSE identifying the companies to be reviewed during a particular calendar year and providing the names of these companies and the appropriate financial information to the UJ Team. The JSE and UJ have jointly developed a framework under which each review is to be conducted. The reviewed reports are then considered by the JSE who then engages with the listed company.

During the year under review, the committee considered the JSE's Report on the proactive monitoring of financial statements for 2019, which outlined issues identified by the JSE during its normal proactive monitoring of listed companies' financial statements for compliance with IFRS.

Tharisa's annual financial statements for the year ended 30 September 2019 and its interim results for the six months ended 31 March 2020 had been selected as part of the JSE's proactive review process. The committee studied the correspondence received from the JSE and considered and approved the responses prepared by the Company.

Other

During the year under review, the committee confirmed the adequacy of the Group's whistleblowing arrangements and policies and procedures for preventing corrupt behaviour and detecting fraud and bribery. It also conducted a self-evaluation to establish whether the committee operated effectively and identified areas for improvement.

The Chairman of the Audit Committee reported to the Board after each meeting of the Audit Committee.

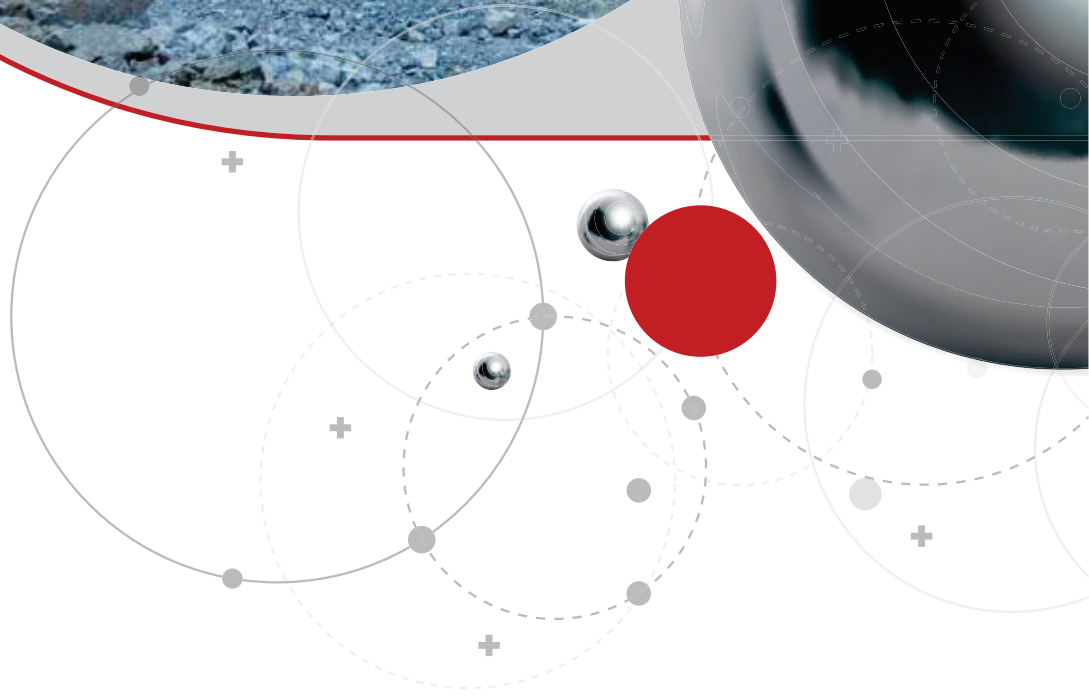
On recommendation of the Audit Committee, the Board approved:

- the annual financial statements for the year ended 30 September 2020
- the integrated annual report for the year ended 30 September 2020 and
- the notice of the annual general meeting to be held on 10 February 2021.

For more information on the composition and responsibilities of the Audit Committee, please refer to pages 62 and 63.

A Djakouris Chairman of the Audit Committee

27 November 2020



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CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements for the year ended 30 September 2020 have been extracted from the audited financial statements of the Group, but have not been audited. The auditor's report on the audited financial statements does not report on all of the information contained herein. Shareholders are therefore advised that in order to obtain a full understanding of the financial position and results of the Group, these condensed consolidated financial statements should be read together with the full audited financial statements and full audit report.

These condensed consolidated financial statements and the audited financial statements, together with the audit report, are available on the Company's website, www.tharisa.com, and are available for inspection at the registered address of the Company.

The directors take full responsibility for the preparation of this report and the correct extraction of the financial information from the underlying financial statements.

The directors of the Company are responsible for the maintenance of adequate accounting records and the preparation of the financial statements and related information in a manner that fairly presents the state of affairs of the Company. These financial statements are prepared in accordance with International Financial Reporting Standards and incorporate full and responsible disclosure in line with the accounting policies of the Group, which are supported by prudent judgement.

The directors are also responsible for the maintenance of effective systems of internal control, which are based on established organisational structure and procedures. These systems are designed to provide reasonable assurance as to the reliability of the financial statements, and to prevent and detect material misstatement and loss.

Ernst & Young Cyprus Limited has expressed an unmodified audit opinion in the Independent Auditor's Report dated 27 November 2020 on the audited consolidated financial statements. That report also includes the communication of key audit matters and is available on the Company's website: www.tharisa.com.

The preparation of these condensed results was supervised by the Chief Finance Officer, Michael Jones, a Chartered Accountant (SA).

The condensed consolidated financial statements have been prepared on a going concern basis, as the directors believe that the Company and Group will continue to be in operation in the foreseeable future.

The consolidated annual financial statements have been approved by the Board on 27 November 2020.

Condensed consolidated statement of profit or loss and other comprehensive income

for the year ended 30 September 2020

	Notes	2020 US\$'000	2019 US\$'000
Revenue	5	405 995	342 885
Cost of sales	6	(275 563)	(282 461)
Gross profit		130 432	60 424
Other income		918	687
Net foreign exchange (loss)/gain		(8 378)	354
Administrative expenses	7	(35 327)	(37 252)
Results from operating activities		87 645	24 213
Finance income		944	1 437
Finance costs		(6 926)	(8 812)
Changes in fair value of financial assets at fair value through profit or loss	22	476	312
Changes in fair value of financial liabilities at fair value through profit or loss	22	(5 773)	(4 343)
Share of loss of investment accounted for using the equity method		(614)	(1 652)
Profit before tax		75 752	11 155
Tax	8	(20 801)	(2 779)
Profit for the year		54 951	8 376
Other comprehensive income			
<i>Items that may be classified subsequently to profit or loss:</i>			
Foreign currency translation differences for foreign operations, net of tax		(24 118)	(13 985)
Other comprehensive income, net of tax		(24 118)	(13 985)
Total comprehensive income/(loss) for the year		30 833	(5 609)
Profit for the year attributable to:			
Owners of the Company		43 296	10 616
Non-controlling interest		11 655	(2 240)
		54 951	8 376
Total comprehensive income for the year attributable to:			
Owners of the Company		27 431	1 835
Non-controlling interest		3 402	(7 444)
		30 833	(5 609)
Earnings per share			
Basic earnings per share (US\$ cents)	9	16.2	4.0
Diluted earnings per share (US\$ cents)	9	16.2	4.0

The notes are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

Condensed consolidated statement of financial position
as at 30 September 2020

	Notes	2020 US\$'000	2019 US\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	10	278 960	263 980
Intangible assets		1 427	750
Investment accounted for using the equity method	11	10 303	8 781
Other financial assets	12	6 791	6 080
Deferred tax assets		1 140	1 013
Total non-current assets		298 621	280 604
Current assets			
Inventories	13	41 864	36 334
Trade and other receivables	14	112 056	73 857
Contract assets		2 101	1 039
Other financial assets	12	2 169	1 390
Current taxation		497	926
Cash and cash equivalents	15	49 293	59 201
Total current assets		207 980	172 747
Total assets		506 601	453 351
EQUITY AND LIABILITIES			
Share capital and premium	16	286 929	285 193
Other reserve		47 245	47 245
Foreign currency translation reserve		(104 850)	(88 985)
Retained earnings		122 085	79 318
Equity attributable to owners of the Company		351 409	322 771
Non-controlling interests		(30 580)	(33 982)
Total equity		320 829	288 789
Non-current liabilities			
Provisions	17	14 684	13 101
Borrowings	18	16 132	19 903
Deferred tax liabilities		39 102	25 984
Total non-current liabilities		69 918	58 988
Current liabilities			
Borrowings	18	54 481	51 313
Other financial liabilities	19	6 144	2 384
Current taxation		176	60
Trade and other payables	20	52 952	50 778
Contract liabilities		2 101	1 039
Total current liabilities		115 854	105 574
Total liabilities		185 772	164 562
Total equity and liabilities		506 601	453 351

The consolidated financial statements were authorised for issue by the Board of Directors on 27 November 2020.
The notes are an integral part of these condensed consolidated financial statements.

Phoevos Pouroulis
Director

Michael Jones
Director

Condensed consolidated statement of changes in equity

for the year ended 30 September 2020

Attributable to owners of the Company

	Note	Share capital US\$'000	Share premium US\$'000	Other reserve US\$'000	Foreign currency translation reserve US\$'000	Retained earnings US\$'000	Total US\$'000	Non-controlling interest US\$'000	Total equity US\$'000
Balance at 1 October 2018		261	280 545	47 245	(80 204)	77 025	324 872	(26 538)	298 334
Total comprehensive income for the year									
Profit for the year		–	–	–	–	10 616	10 616	(2 240)	8 376
<i>Other comprehensive income:</i>									
Foreign currency translation differences		–	–	–	(8 781)	–	(8 781)	(5 204)	(13 985)
Total comprehensive income for the year		–	–	–	(8 781)	10 616	1 835	(7 444)	(5 609)
Transactions with owners of the Company									
<i>Contributions by and distributions to owners</i>									
Dividends paid	27	–	–	–	–	(6 594)	(6 594)	–	(6 594)
Issue of ordinary shares	16	6	4 381	–	–	–	4 387	–	4 387
Equity-settled share-based payments	16	–	–	–	–	(859)	(859)	–	(859)
Deferred tax on equity-settled share-based payments		–	–	–	–	(870)	(870)	–	(870)
Contributions by owners of the Company		6	4 381	–	–	(8 323)	(3 936)	–	(3 936)
Total transactions with owners of the Company		6	4 381	–	–	(8 323)	(3 936)	–	(3 936)
Balance at 30 September 2019		267	284 926	47 245	(88 985)	79 318	322 771	(33 982)	288 789

The notes are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

Condensed consolidated statement of changes in equity *continued*
for the year ended 30 September 2020

Note	Attributable to owners of the Company							
	Share capital US\$'000	Share premium US\$'000	Other reserve US\$'000	Foreign currency translation reserve US\$'000	Retained earnings US\$'000	Total US\$'000	Non-controlling interest US\$'000	Total equity US\$'000
Balance at 1 October 2019	267	284 926	47 245	(88 985)	79 318	322 771	(33 982)	288 789
Total comprehensive income for the year								
Profit for the year	-	-	-	-	43 296	43 296	11 655	54 951
<i>Other comprehensive income:</i>								
Foreign currency translation differences	-	-	-	(15 865)	-	(15 865)	(8 253)	(24 118)
Total comprehensive income for the year	-	-	-	(15 865)	43 296	27 431	3 402	30 833
Transactions with owners of the Company								
<i>Contributions by and distributions to owners</i>								
Dividends paid	27	-	-	-	(667)	(667)	-	(667)
Issue of ordinary shares	16	2	1 734	-	-	1 736	-	1 736
Equity-settled share-based payments	16	-	-	-	138	138	-	138
Contributions by owners of the Company		2	1 734	-	(529)	1 207	-	1 207
Total transactions with owners of the Company		2	1 734	-	(529)	1 207	-	1 207
Balance at 30 September 2020	269	286 660	47 245	(104 850)	122 085	351 409	(30 580)	320 829

Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, during the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 17% will be payable on such deemed dividend to the extent that the ultimate shareholders at the end date of the period of two years from the end of the year of assessment to which the profits refer are both Cypriot tax residents and Cypriot domiciled entities. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year at any time. This special contribution for defence is paid by the Company for the account of the shareholders. These provisions do not apply for ultimate beneficial owners that are non-Cypriot tax resident individuals. Retained earnings is the only reserve that is available for distribution.

The notes are an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of cash flows

for the year ended 30 September 2020

	Notes	2020 US\$'000	2019 US\$'000
Cash flows from operating activities			
Profit for the year		54 951	8 376
Adjustments for:			
Depreciation of property, plant and equipment	10	27 949	27 236
(Profit)/loss on disposal of property, plant and equipment	10	(9)	33
Share of loss of investment accounted for using the equity method	11	614	1 652
Impairment loss and net realisable value write down of inventory	10	(114)	114
Impairment and write off of property, plant and equipment	10	3 090	4 141
Changes in fair value of financial assets at fair value through profit or loss		(476)	(312)
Changes in fair value of financial liabilities at fair value through profit or loss		5 773	4 343
Net foreign exchange loss/(gain)		8 378	(354)
Interest income		(944)	(1 437)
Interest expense		6 926	8 812
Tax		20 801	2 779
Equity-settled share based payments		138	(859)
		127 077	54 524
Changes in:			
Inventories		(7 352)	(15 207)
Trade and other receivables and contract assets		(50 577)	9 686
Trade and other payables and contract liabilities		5 419	25 097
Provisions		1 767	250
Cash from operations		76 334	74 350
Income tax paid		(3 376)	(4 408)
Net cash flows from operating activities		72 958	69 942
Cash flows from investing activities			
Interest received		867	1 333
Additions to property, plant and equipment	10	(70 558)	(43 881)
Additions to intellectual property		(311)	-
Net cash outflow from business combination	21	(1 486)	-
Proceeds from disposal of property, plant and equipment	10	770	403
Additions to investments accounted for using the equity method	11	(2 136)	(7 995)
Additions to other financial assets	12	(1 556)	(2 277)
Net cash flows used in investing activities		(74 410)	(52 417)
Cash flows from financing activities			
Net proceeds from/(payment of) bank credit facilities	18	2 487	(14 347)
Advances received	18	18 118	28 476
Repayment of borrowings	18	(15 609)	(19 024)
Lease payments	18	(5 673)	(6 647)
Dividends	27	(667)	(6 594)
Interest paid		(4 311)	(4 665)
Net cash flows used in financing activities		(5 655)	(22 801)
Net decrease in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year	15	59 201	66 791
Effect of exchange rate fluctuations on cash held		(2 801)	(2 314)
Cash and cash equivalents at the end of the year	15	49 293	59 201

The notes are an integral part of these condensed consolidated financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Notes to the condensed consolidated financial statements

for the year ended 30 September 2020

1. REPORTING ENTITY

Tharisa plc ('the Company') is a company domiciled in Cyprus. These condensed consolidated financial statements of the Company for the year ended 30 September 2020 comprise the Company and its subsidiaries (together referred to as 'the Group'). The Group is primarily involved in platinum group metals ('PGM') and chrome mining, processing, trading and the associated logistics. The Company is listed on the main board of the Johannesburg Stock Exchange and has a secondary standard listing on the main board of the London Stock Exchange and a secondary listing on the A2X Exchange in South Africa.

2. BASIS OF PREPARATION

Statement of compliance

These condensed consolidated financial statements have been prepared in accordance with the Listings Requirements of the Johannesburg Stock Exchange and, as a minimum, contain the information required by International Accounting Standards 34 *Interim Financial Reporting*. Selected explanatory notes are included to explain events and transactions that are significant to obtain an understanding of the changes in the financial position and performance of the Group since the last consolidated financial statements as at and for the year ended 30 September 2019. These condensed consolidated financial statements do not include all the information required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards ('IFRS'). The condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 30 September 2020, which have been prepared in accordance with IFRS.

Statutory consolidated financial statements of the Company were additionally prepared in accordance with IFRS as adopted by the EU and the requirements of the Cyprus Companies Law, Cap. 113. These have been approved and issued on the same date and there are no differences in the two sets of consolidated financial statements.

These condensed consolidated financial statements were approved by the Board of Directors on 27 November 2020.

Use of estimates and judgements

Preparing the condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated financial statements, significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements at and for the year ended 30 September 2020. The condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 30 September 2020 which contain detail of significant judgements and estimates.

Basis of measurement

The condensed consolidated financial statements are prepared on the historical cost basis except as otherwise stated in the accounting policies set out below.

Functional and presentation currency

The condensed consolidated financial statements are presented in United States Dollars ('US\$') which is the Company's functional currency and presentation currency. Amounts are rounded to the nearest thousand.

Operating environment and going concern

On 11 March 2020, the World Health Organization declared the coronavirus COVID-19 (also known as the coronavirus) outbreak to be a pandemic in recognition of its rapid spread across the globe. Many governments are taking increasingly stringent and economically costly steps to help contain and, in many jurisdictions, now delay, the spread of the virus. These steps include requiring self-isolation/quarantine by those potentially affected, implementing social distancing measures, controlling or closing borders and "locking-down" cities/regions or even entire countries. These measures have slowed down economies globally including both the economies of Cyprus and South Africa. These measures also have the potential of having wider impacts on the respective economies as the measures may persist for an extended period.

On 15 March 2020, the Cyprus Council of Ministers in an extraordinary meeting, announced that it considers that Cyprus is entering a state of emergency considering the uncertain situation as it unfolds daily, the growing spread of COVID-19 outbreak and the World Health Organization's data on the situation.

On 15 March 2020, the President of South Africa announced the declaration of the COVID-19 pandemic as a "national disaster". Effective 27 March 2020, South Africa was placed in a five-week lockdown (initially three weeks which was subsequently extended), which imposed significant restrictions on economic and other activities.

The Group is fully supportive of the respective governments' initiatives in dealing with the COVID-19 pandemic and has and will implement all measures as instructed by the respective governments.

2. BASIS OF PREPARATION (continued)

Operating environment and going concern (continued)

To this effect, mining operations with limited exceptions such as coal mines supplying the national energy producer, were required to be placed on care and maintenance. The Group proceeded with a systematic process of placing its assets on care and maintenance while ensuring both the health and wellbeing of its employees. Mining was suspended on 25 March 2020 and the plants were placed on care and maintenance.

During the lockdown period, the Group developed and submitted an interim essential production plan whereby operations continued with a significantly reduced number of personnel on a shift basis. This plan received government support and permission and mining and limited processing operations at the Group's Voyager Plant (300 ktpm name plate capacity) resumed with the reduced number of personnel onsite. Transport of chrome concentrate resumed on 1 April 2020 while limited deliveries of PGM concentrates resumed on 18 April 2020 with the PGM customers having declared *force majeure* for the lockdown periods.

On 23 April 2020, the President of South Africa announced the basis for a risk adjusted strategy for the return to economic activity following the national lockdown in South Africa. Effective 1 May 2020, South Africa was reduced from a level 5 lockdown to a level 4 lockdown. Level 4 provided *inter alia* for resumption of open pit mining at 100%. The Tharisa Mine accordingly resumed full operations post the initial lockdown period. Logistics resumed operating in the normal course.

There has been a gradual easing of lockdown restrictions in South Africa with South Africa being placed on a risk adopted level 1 lockdown, with the resumption of most economic activities with effect from 21 September 2020.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the outbreak expands and the high level of uncertainties arising from the inability to reliably predict the outcome. Management has considered the unique circumstances and the risk exposures of the Group and has concluded that the main impact on the Group's business may arise from:

- an interruption of production either on a partial or whole basis;
- a disruption of the logistics operations;
- partial supply chain disruptions;
- the unavailability of personnel; and
- the impact on the demand fundamentals for its products thereby impacting on commodity prices.

The Group reassessed its operating and relevant cash flows using revised assumptions and incorporating downside scenarios in assessing actual and potential financing needs, taking into consideration the main impacts identified above. To strengthen the Group's liquidity and ultimately ensure the sustainability of operations, the Group proactively negotiated certain payment holidays, in some instances capital only and for others both capital and interest, with financial institutions (refer to note 18). The financier payment holiday was conditional *inter alia* on no dividends being paid by the Company. Major suppliers have been successfully engaged for extended credit terms. Capital expenditures projects, including the Vulcan Plant, were placed on hold.

From the analysis performed and taking into account the above factors and borrowing facilities available to the Group, the directors have a reasonable expectation that the Group has adequate financial resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the condensed consolidated financial statements.

Standards and interpretations adopted in the current year

The Group has adopted the following new and/or revised standards, interpretations and amendments which became effective for the year ended 30 September 2020:

- IFRIC 23 *Uncertainty over Income Tax Treatment*
- IAS 23 *Borrowing Costs* (Amendment)
- IFRS 16 *Amendment to Leases*

The adoption of these interpretations and amendments did not have a material impact on the Group.

Standards and interpretations issued but not yet effective

A number of standards, amendments to standards and interpretations have been issued but are not yet effective for annual periods beginning on 1 October 2019. Those that are relevant to the Group are presented below.

- IFRS 3 *Business Combinations* (Amendment)
- IAS 1 and IAS 8 *Definition of material* (Amendment)
- Conceptual Framework
- *Classification of Liabilities as Current or Non-current* - Amendments to IAS 1
- *Property, Plant and Equipment: Proceeds before Intended Use* - Amendments to IAS 16
- *Onerous Contracts – Costs of Fulfilling a Contract* – Amendments to IAS 37

The Group will adopt these standards and interpretations as they become effective.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those applied in the preparation of the Group's consolidated financial statements for the year ended 30 September 2020.

4. OPERATING SEGMENTS

For management purposes, the chief operating decision maker of the Group, being the executive directors of the Company and the executive directors of the subsidiaries, reports its results per segment. The Group currently has the following four segments:

- PGM segment
- Chrome segment
- Agency and trading segment
- Manufacturing segment

The Group established the manufacturing segment following the acquisition of the manufacturing entity (refer to note 21).

The operating results of each segment are monitored separately by the chief decision maker in order to assist them in making decisions regarding resource allocation as well as enabling them to evaluate performance. Segment performance is evaluated on a PGM ounce production and sales basis and a chrome concentrate tonnes production and sales basis. The Agency and trading segment performance is evaluated on third-party chrome concentrate tonnes production and sales basis. Third-party logistics, third-party trading and third-party chrome operations are evaluated individually but aggregated together as the Agency and trading segment. For the manufacturing segment, performance is evaluated on sales and gross profit basis.

The Group's administrative costs, financing (including finance income and finance costs) and income taxes are managed on a Group basis and are not allocated to a segment.

The accounting policies used by the Group in reporting segments internally are the same as those applied to the consolidated financial statements.

Due to the intrinsic nature of the Group's PGM and chrome concentrate production processes, assets are reported on a consolidated basis and cannot necessarily be allocated to a specific segment. Consequently, assets are not disclosed per segment in the following segmental information.

	PGM US\$'000	Chrome US\$'000	Agency and trading US\$'000	Manufacturing US\$'000	Total US\$'000
2020					
Revenue	218 619	161 267	24 109	2 000	405 995
Cost of sales					
Manufacturing costs	(132 038)	(58 761)	(12 584)	(1 598)	(204 981)
Selling costs	(396)	(44 140)	(4 477)	–	(49 013)
Freight services	–	(17 979)	(3 590)	–	(21 569)
	(132 434)	(120 880)	(20 651)	(1 598)	(275 563)
Gross profit	86 185	40 387	3 458	402	130 432
2019					
Revenue	130 064	177 881	34 940	–	342 885
Cost of sales					
Manufacturing costs	(100 735)	(88 861)	(17 061)	–	(206 657)
Selling costs	(899)	(41 302)	(10 012)	–	(52 213)
Freight services	–	(17 910)	(5 681)	–	(23 591)
	(101 634)	(148 073)	(32 754)	–	(282 461)
Gross profit	28 430	29 808	2 186	–	60 424

The shared costs relating to the manufacturing of PGM and chrome concentrates are allocated to the relevant operating segments based on the relative sales value per product on an ex-works basis. During the year ended 30 September 2020, the relative sales value of PGM concentrate increased compared to the relative sales value of chrome concentrates and consequently the allocation basis of shared costs was revised to 75.0% for PGM concentrate and 25.0% for chrome concentrates. The allocation basis of shared costs was 55.0% (PGM concentrates) and 45.0% (chrome concentrate) for the year ended 30 September 2019.

Cost of sales includes a charge for the write off/impairment of property, plant and equipment totalling US\$3.1 million (2019: US\$4.1 million) which mainly relates to mining equipment. The write off/impairment has been allocated to the PGM and chrome segments in accordance with the allocation basis of shared costs as described in the preceding paragraph.

4. OPERATING SEGMENTS (continued)

Geographical information

The following table sets out information about the geographical location of:

- (i) the Group's revenue from external customers and
- (ii) the Group's property, plant and equipment, intangible assets and investment accounted for using the equity method ('specified non-current assets').

The geographical location analysis of revenue from external customers is based on the country of establishment of each customer. The geographical location of the specified non-current assets is based on the physical location of the asset in the case of property, plant and equipment and intellectual property and the location of the operation to which they are allocated in the case of goodwill.

Revenue from external customers

	PGM US\$'000	Chrome US\$'000	Agency and trading US\$'000	Manufacturing US\$'000	Total US\$'000
2020					
South Africa	218 619	24 497	918	2 000	246 034
China	–	39 719	12 108	–	51 827
Singapore	–	33 918	8 075	–	41 993
Hong Kong	–	50 005	2 382	–	52 387
United Arab Emirates	–	9 344	–	–	9 344
Other countries	–	3 784	626	–	4 410
	218 619	161 267	24 109	2 000	405 995
2019					
South Africa	130 064	40 320	695	–	171 079
China	–	53 070	3 558	–	56 628
Singapore	–	10 046	30 182	–	40 228
Hong Kong	–	67 106	–	–	67 106
Other countries	–	7 339	505	–	7 844
	130 064	177 881	34 940	–	342 885

Revenue represents the sales value of goods supplied to customers, net of value added tax. The following table summarises sales to customers with whom transactions have individually exceeded 10.0% of the Group's revenues.

	2020 Segment	US\$'000	2019 Segment	US\$'000
Customer 1	PGM	174 592	PGM	110 209
Customer 2	PGM and Agency and trading	44 433	Chrome	42 582
Customer 3	Chrome and Agency and trading	33 416	Chrome	41 858
Customer 4	Chrome	24 507	Chrome	39 769

Specified non-current assets

	2020 US\$'000	2019 US\$'000
South Africa	280 029	264 627
Zimbabwe	10 303	8 781
Cyprus	358	103
	290 690	273 511

Non-current assets includes property, plant and equipment, intangible assets and the investment accounted for using the equity method.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

CONTINUED

5. REVENUE

2020	PGM US\$'000	Chrome US\$'000	Agency and trading US\$'000	Manufacturing US\$'000	Total US\$'000
Revenue recognised at a point in time					
Variable revenue based on initial results	191 066	119 081	19 427	–	329 574
Quantity adjustments	(2 465)	211	(47)	–	(2 301)
Revenue based on fixed selling prices	–	23 996	1 139	2 000	27 135
Revenue recognised over time					
Freight services	–	17 979	3 590	–	21 569
Revenue from contracts with customers	188 601	161 267	24 109	2 000	375 977
Fair value adjustments (refer to note 22)	30 018	–	–	–	30 018
Total revenue	218 619	161 267	24 109	2 000	405 995

2019	PGM US\$'000	Chrome US\$'000	Agency and trading US\$'000	Manufacturing US\$'000	Total US\$'000
Revenue recognised at a point in time					
Variable revenue based on initial results	118 188	118 604	28 891	–	265 683
Quantity adjustments	1 788	1 048	64	–	2 900
Revenue based on fixed selling prices	–	40 319	304	–	40 623
Revenue recognised over time					
Freight services	–	17 910	5 681	–	23 591
Revenue from contracts with customers	119 976	177 881	34 940	–	332 797
Fair value adjustments (refer to note 22)	10 088	–	–	–	10 088
Total revenue	130 064	177 881	34 940	–	342 885

During the year ended 30 September 2020, revenue from freight services of US\$1.0 million (2019: US\$2.2 million) was recognised, which was classified as a contract liability at 30 September 2019.

	2020 US\$'000	2019 US\$'000
Variable revenue recognised:		
PGM revenue recognised in preceding year based on initial results	(35 296)	(29 352)
PGM revenue based on final results	36 715	28 957
PGM revenue adjustment recognised in current year	1 419	(395)
Chrome revenue recognised in preceding year based on initial results	(35 153)	(45 805)
Chrome revenue based on final results	35 199	45 618
Chrome revenue adjustment recognised in current year	46	(187)

The period ended 30 September 2020 includes PGM revenue of US\$62.0 million (2019: US\$39.9 million) and chrome revenue of US\$32.4 million (2019: US\$37.7 million) that was based on provisional results as final prices and surveys were not yet available at 30 September 2020.

6. COST OF SALES

	2020 US\$'000	2019 US\$'000
Mining		
Drill and blast	21 496	15 360
Load and haul	16 011	9 165
Diesel	17 117	23 076
Salaries and wages	22 524	30 607
Maintenance	23 090	31 318
Depreciation	15 506	13 278
Cost of commodities	14 870	22 391
Impairment and write off of property, plant and equipment	3 090	4 141
	133 704	149 336
Processing		
Salaries and wages	13 587	13 906
Utilities	11 699	11 586
Materials and consumables	15 862	19 597
Contractor and equipment hire	8 830	2 813
Overhead	2 250	3 067
Depreciation	11 581	13 142
	63 809	64 111
State royalties	9 814	4 267
Change in inventories – finished products and ore stockpile	(2 346)	(11 057)
Selling costs	49 013	52 213
Freight services	21 569	23 591
Cost of sales	275 563	282 461

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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7. ADMINISTRATIVE EXPENSES

	2020 US\$'000	2019 US\$'000
Directors and staff costs		
Non-executive directors	626	629
Employees: salaries	14 701	15 234
bonuses	784	1 518
pension fund, medical aid and other contributions	1 854	1 836
	17 965	19 217
Audit – external audit services	436	353
Audit – other services*	19	6
Consulting and business development cost	2 454	2 678
Corporate and social investment	366	198
Depreciation	862	816
Discount facility and related fees	711	759
Equity-settled share based payment expense	1 939	3 583
Internal audit	28	60
Listing fees and investor relations	152	180
Health and safety	1 426	1 132
Insurance	1 817	743
Legal and professional	556	600
Loss on disposal of property, plant and equipment	-	33
Office administration, rent and utilities	1 060	985
Research and development	183	351
Security	1 110	1 443
Telecommunications and IT-related	3 259	2 331
Training	159	505
Travelling and accommodation	304	702
Sundry	521	577
	35 327	37 252
	2020	2019
Number of employees	1 868	1 872

8. TAX

	2020 US\$'000		2019 US\$'000	
Corporate income tax for the year				
Cyprus		1 032		1 243
South Africa		2 535		1 488
		3 567		2 731
Special contribution for defence in Cyprus		1		3
Deferred tax: originating and reversal of temporary differences		17 128		45
Dividend withholding tax		105		–
Tax charge		20 801		2 779
Reconciliation between tax charge and accounting profit at applicable tax rates:				
	2020 US\$'000	2019 US\$'000	2020 US\$'000	2019 US\$'000
Profit before tax	75 752	11 155	75 752	11 155
Add share of loss of investment accounted for using the equity method	614	1 652	614	1 652
Tharisa plc and subsidiary companies' profit before tax	76 366	12 807	76 366	12 807
Notional tax on profit before tax, calculated at the Cypriot/South African income tax rate of 12.5%/28.0% (2019: 12.5%/28.0%)	9 546	1 601	21 382	3 586
Tax effects of:				
Different tax rates from the standard Cypriot/South African income tax rate	10 895	860	(1 388)	240
Tax exempt income				
Fair value adjustments	(22)	–	(50)	–
Interest received	(137)	(2)	(306)	(1 764)
Currency gains	(18)	–	(41)	–
Other	(1)	10	(1)	21
Non-deductible expenses				
Investment related	345	146	773	328
Interest paid	9	8	20	18
Capital expenses	50	76	111	172
Special contribution for defence in Cyprus	1	3	2	6
Dividend withholding tax	105	–	236	–
Recognition of deemed interest income for tax purposes	28	77	63	172
Tax charge	20 801	2 779	20 801	2 779

Tax is recognised on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the year.

The Group's consolidated effective tax rate for the year ended 30 September 2020 was 27.5% (2019: 24.9%).

At 30 September 2020, the Group's unredeemed capital balance available for offset against future mining taxable income in South Africa amounted to US\$106.2 million (2019: US\$100.2 million). Other than Cyprus and South Africa, no provision for tax in other jurisdictions was made as these entities either sustained losses for taxation purposes or did not earn any assessable profits.

Judgement and estimates: most meaningful tax rate

IAS 12 requires entities to disclose a tax rate reconciliation to enable users to understand whether the relationship between the accounting profit and taxation is unusual and to understand significant factors that could affect that relationship in the future. In preparation of the tax rate reconciliation, entities select a most meaningful tax rate to which the profit before tax is applied and to which the tax charge for the year is then reconciled. The Group previously selected the Cyprus corporate income tax rate as the most meaningful tax rate. Since the majority of the Group's profits are currently earned in South Africa, management considers that it is appropriate to include a tax rate reconciliation for which the South African income tax rate is selected as the most meaningful tax rate.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED

9. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share and headline and diluted headline earnings per share have been based on the profit attributable to the ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding. Treasury shares are excluded from the weighted average number of ordinary shares outstanding. Vested Share Appreciation Rights ('SARS') issued to employees at award prices lower than the current share price, results in a potential dilutive impact on the weighted average number of issued ordinary shares and have been included in the calculation of dilutive weighted average number of issued ordinary shares. The average market value of the Company's shares for the purposes of calculating the potential dilutive effect of SARS was based on quoted market prices for the year during which the options were outstanding.

Basic and diluted earnings per share

	2020	2019
Profit for the year attributable to ordinary shareholders (US\$'000)	43 296	10 616
Weighted average number of issued ordinary shares for basic earnings per share ('000)	266 611	263 131
Weighted average number of issued ordinary shares for diluted earnings per share ('000)	267 355	264 877
Earnings per share		
Basic (US\$ cents)	16.2	4.0
Diluted (US\$ cents)	16.2	4.0

Headline and diluted headline earnings per share

	2020	2019
Headline earnings for the year attributable to ordinary shareholders (US\$'000)	44 938	12 840
Weighted average number of issued ordinary shares for basic headline earnings per share ('000)	266 611	263 131
Weighted average number of issued ordinary shares for diluted headline earnings per share ('000)	267 355	264 877
Headline earnings per share		
Basic (US\$ cents)	16.9	4.9
Diluted (US\$ cents)	16.8	4.9

9. EARNINGS PER SHARE (continued)**Reconciliation of profit to headline earnings**

	2020				2019
	Gross US\$'000	Tax US\$'000	Non- controlling interest US\$'000	Net US\$'000	Net US\$'000
Profit attributable to ordinary shareholders				43 296	10 616
Adjustments:					
Impairment of property, plant and equipment	3 089	(865)	(578)	1 646	2 206
(Profit)/loss on disposal of property, plant and equipment	(8)	2	2	(4)	18
Headline earnings				44 938	12 840

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED

10. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings US\$'000	Mining assets and infrastructure US\$'000	Mining fleet US\$'000	Right-of-use asset: mining fleet US\$'000
30 September 2020				
Cost				
Balance at 30 September 2019	14 731	273 346	58 085	16 543
Additions	303	44 067	24 731	–
Lease agreements entered into	–	–	–	617
Transfers	11	254	–	–
Business combination (note 21)	660	682	–	–
Disposals	–	–	(3 017)	–
Re-measurement	–	–	–	74
Impairment and write offs	–	(2 759)	(3 040)	(919)
Exchange differences on translation	(1 425)	(26 327)	(5 874)	(1 516)
Balance at 30 September 2020	14 280	289 263	70 885	14 799
Accumulated depreciation				
Balance at 30 September 2019	865	79 483	16 719	4 674
Charge for the year	202	11 439	11 772	2 867
Business combination (note 21)	–	340	–	–
Disposals	–	–	(2 303)	–
Impairment and write offs	–	(2 759)	(140)	(745)
Exchange differences on translation	(85)	(7 587)	(1 803)	(491)
Balance at 30 September 2020	982	80 916	24 245	6 305
30 September 2019				
Cost				
Balance at 30 September 2018	14 861	276 345	36 872	14 182
Additions	918	12 620	27 474	–
Lease agreements entered into	–	–	–	5 854
Transfers	–	3 528	1 622	(1 622)
Disposals	–	(86)	(1 278)	–
Re-measurement	–	407	–	2
Impairment and write offs	–	(26)	(2 781)	(733)
Exchange differences on translation	(1 048)	(19 442)	(3 824)	(1 140)
Balance at 30 September 2019	14 731	273 346	58 085	16 543
Accumulated depreciation				
Balance at 30 September 2018	740	72 390	8 274	2 732
Charge for the year	185	12 691	8 763	3 273
Transfers	–	–	682	(682)
Disposals	–	(39)	(889)	–
Impairment	–	(16)	955	(346)
Exchange differences on translation	(60)	(5 543)	(1 066)	(303)
Balance at 30 September 2019	865	79 483	16 719	4 674

Motor vehicles US\$'000	Computer equipment and software US\$'000	Office equipment and furniture, community and site office improvements US\$'000	Right-of-use asset: buildings US\$'000	Total US\$'000
1 284	5 338	807	2 108	372 242
175	1 194	88	–	70 558
–	–	–	–	617
–	(265)	–	–	–
58	25	40	–	1 465
(66)	(8)	–	–	(3 091)
–	(4)	–	(31)	39
–	(1 912)	(308)	–	(8 938)
(126)	(500)	(60)	(186)	(36 014)
1 325	3 868	567	1 891	396 878
398	4 741	586	796	108 262
122	1 086	89	372	27 949
31	12	29	–	412
(19)	(8)	–	–	(2 330)
–	(1 906)	(298)	–	(5 848)
(43)	(397)	(40)	(81)	(10 527)
489	3 528	366	1 087	117 918
651	7 223	771	2 296	353 201
715	2 061	93	–	43 881
–	–	–	70	5 924
–	(3 528)	–	–	–
–	(2)	(3)	–	(1 369)
–	–	–	–	409
–	(26)	(7)	(77)	(3 650)
(82)	(390)	(47)	(181)	(26 154)
1 284	5 338	807	2 108	372 242
341	3 340	541	532	88 890
85	1 732	86	421	27 236
(1)	1	–	–	–
–	(2)	(3)	–	(933)
–	(25)	(5)	(72)	491
(27)	(305)	(33)	(85)	(7 422)
398	4 741	586	796	108 262

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED

10. PROPERTY, PLANT AND EQUIPMENT (continued)

	2020 US\$'000	2019 US\$'000
Net book value		
Freehold land and buildings	13 298	13 866
Mining assets and infrastructure	208 347	193 863
Mining fleet	46 640	41 366
Right-of-use mining fleet	8 494	11 869
Motor vehicles	836	886
Computer equipment and software	340	597
Office equipment and furniture, community and site office improvements	201	221
Right-of-use buildings and premises	804	1 312
	278 960	263 980

Included in additions to mining assets and infrastructure are additions to the deferred stripping asset of US\$22.7 million (2019: US\$0.2 million).

The estimated economically recoverable proved and probable mineral reserve was reassessed at 1 October 2019 which gave rise to a change in accounting estimate. The remaining reserve that management had previously assessed was 92.7 Mt (at 1 October 2018). At 1 October 2019, the remaining reserve was assessed to be 97.5 Mt.

As a result, and taking into account depletion of the reserve during the year ended 30 September 2020 (4.9 Mt), the expected useful life of the plant increased. The impact of the change on the actual depreciation expense, included in cost of sales, is a reduced depreciation charge of US\$0.8 million. The change in estimate was recognised prospectively.

Included in mining assets and infrastructure are projects under construction of US\$25.6 million (2019: US\$14.8 million).

Freehold land and buildings comprises various portions of the farms Elandsdrift 467 JQ, Buffelspoort 343 JQ and 342 JQ, North West province, South Africa. All land is freehold.

Property, plant and equipment, with the exception of motor vehicles, is insured at approximate cost of replacement. Motor vehicles are insured at market value. Land is not insured.

Capital commitments

At 30 September 2020, the Group's capital commitments for contracts to purchase property, plant and equipment amounted to US\$30.7 million (2019: US\$17.9 million).

Securities

At 30 September 2020, the majority of the Group's mining fleet was pledged as security against the equipment loan facility.

Impairment

During the year ended 30 September 2020, the Group impaired and scrapped individual assets totalling US\$3.1 million (2019: US\$4.1 million). The impairment during both the financial years relate to yellow fleet equipment identified as no longer fit for use and premature component failures. The impaired assets are not part of a cash generating unit for which any goodwill has been recognised.

The mining component premature failures are identified through the measurement of the hours depreciated for each component in relationship to the expected useful life. An impairment loss is recognised for each component that did not reach its expected useful life. Further to this mining fleet impairment is also identified from fleet that is confirmed as obsolete by management. Where equipment was not in use for a period of longer than six months, an impairment is raised as future value would be expected to be lower than book value.

11. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

During the year ended 30 September 2018, the Group acquired 26.8% of the issued share capital of Karo Mining Holdings Limited ('Karo Holdings'), a company incorporated in Cyprus, for a total cash consideration of US\$4.5 million from the Leto Settlement, a related party.

Karo Holdings entered into an Investment Project Framework Agreement with the Republic of Zimbabwe in terms of which Karo Holdings, through any of its subsidiaries, has undertaken to establish a platinum group metals mine, concentrators, smelters, a base metal and precious metals refinery as well as power generation capacity for the operations with surplus energy capacity made available to the Zimbabwe power grid (collectively referred to as 'the Project').

Karo Holdings' principal place of business is in Cyprus. The functional and presentation currency of Karo Holdings and its subsidiaries is the US\$. The table below details Karo Holdings' interest in subsidiaries as at 30 September 2020 and 30 September 2019.

Company name	Effective interest	Country of incorporation and principal place of business	Principal activity
Karo Zimbabwe Holdings (Private) Limited	100%	Zimbabwe	Investment holding
Karo Platinum (Private) Limited*	100%	Zimbabwe	Platinum mining
Karo Coal Mines (Private) Limited**	100%	Zimbabwe	Coal
Karo Power Generation (Private) Limited**	100%	Zimbabwe	Power generation
Karo Refinery (Private) Limited**	100%	Zimbabwe	PGM smelting and refining

* In terms of the Investment Project Framework Agreement, 50% of the shareholding in this company is required to be transferred to an investment entity owned by the Republic of Zimbabwe, the communities and employees.

** In terms of the Investment Project Framework Agreement, 25% of the shareholding in this company is required to be transferred to an investment entity owned by the Republic of Zimbabwe, the communities and employees.

The Group entered into a Shareholders' Agreement with Leto Settlement whereby management of the Project will exclusively vest in the Company or any of its subsidiaries. Any decisions about the relevant activities require unanimous consent of the shareholders. The Group has determined that a joint arrangement exists and consequently has classified its investment in Karo Holdings as a joint venture. The Group accounts for joint ventures using the equity method in the condensed consolidated financial statements.

	2020 US\$'000	2019 US\$'000
Investment in Karo Holdings		
Opening balance	8 781	4 438
Advances during the year	2 136	5 995
Share of total comprehensive loss	(614)	(1 652)
	10 303	8 781
Shares acquired	4 500	4 500
Loan advance	8 131	5 995
Total share of comprehensive loss from joint venture	(2 328)	(1 714)
Total investment	10 303	8 781
Summarised consolidated financial information of Karo Holdings		
Summarised statement of financial position		
Non-current assets	216	574
Current assets	634	27
Non-current liabilities	(8 431)	(5 995)
Current liabilities	(1 106)	(1 000)
Net deficit (100%)	(8 687)	(6 394)
Summarised statement of comprehensive income		
Operating expenses	(2 004)	(6 106)
Finance costs	(274)	-
Tax	(14)	(60)
Total comprehensive loss	(2 292)	(6 166)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED

11. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Summarised statement of changes in equity

	2020			2019		
	Share capital US\$'000	Retained earnings US\$'000	Total US\$'000	Share capital US\$'000	Retained earnings US\$'000	Total US\$'000
Balance at 1 October	1	(6 395)	(6 394)	1	(229)	(228)
Net loss for the year	–	(2 292)	(2 292)	–	(6 166)	(6 166)
Balance at 30 September	1	(8 687)	(8 686)	1	(6 395)	(6 394)

Contingencies and commitments

Arxo Finance Limited, a wholly-owned subsidiary of the Company, has provided funding up to US\$8.0 million (excluding accrued interest) to Karo Holdings as a repayable debt facility. This was utilised in part to undertake initial geological exploration and sampling work to determine a compliant mineral resource which will enhance the value of the investment in Karo Holdings. At 30 September 2020, US\$7.9 million (2019: US\$6.0 million) had been advanced to Karo Holdings. Interest receivable of US\$0.3 million was capitalised to the loan receivable. The loan bears interest US Libor plus 250 basis points and is unsecured.

Judgements and estimates: joint arrangement

Judgement is required to determine when the Group has joint control of joint arrangements. This requires an assessment when the decisions in relation to relevant activities require unanimous consent. Relevant activities are those relating to the operating and capital decisions of the arrangement, such as the approval of the capital expenditure programme for each year, and appointing, remunerating and terminating the key management personnel or service providers of the operations.

Judgement is also required in determining the classification of a joint arrangement between a joint venture or a joint operation through an evaluation of the rights and obligations arising from the arrangement and in particular, if the joint arrangement has been structured through a separate vehicle, further consideration is required of whether:

- the legal form of the separate vehicle gives the parties rights to the assets and obligations for the liabilities;
- the contractual terms and conditions give the parties rights to the assets and obligations for the liabilities; and
- other facts and circumstances give the parties rights to the assets and obligations for the liabilities.

Differing conclusions around these judgements may materially impact how these businesses are presented in the condensed consolidated financial statements.

Joint arrangements typically convey substantially all the economic benefits of the assets to the parties and judgement is required in assessing whether the terms of the agreements and any other obligations for liabilities of the arrangement result in the parties being substantially the only source of cash flows contributing to the continuity of the operations of the arrangement.

The investment in Karo Holdings is accounted for as a joint venture. The parties are not obligated to cover any potential funding shortfalls. In management's judgement, the Group is not the only possible source of funding and does not have a direct or indirect obligation to the liabilities of the arrangement, but rather shares in its net assets and, therefore, the arrangement has been accounted for as a joint venture.

Judgements and estimates: impairment of joint venture

The application of the Group's accounting policy for the assessment of impairment of joint ventures involved in exploration and evaluation activities requires judgment to determine whether future economic benefits are probable, specifically when activities have not yet reached a stage which permits a reasonable assessment of the existence of reserves and resources. The determination of reserves and resources is in itself an estimation process that requires consideration to varying degrees of uncertainty. The Group periodically evaluates the recoverability of its investments in joint ventures whenever indicators of impairment are present. Indicators of impairment include such items as unfavourable results in exploration activities or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is no longer recoverable. If facts and circumstances indicate that the Group's investment in joint ventures may be impaired, the estimated recoverable amount of the investment would be compared to its carrying amount to determine if a write down is required. The Group believes that no impairment is required as at 30 September 2020.

11. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD (continued)**Judgements and estimates: impairment of joint venture (continued)**

The investment in Karo Holdings was considered against (a) the results of its exploration activities; and (b) the economic and political stability of Zimbabwe as it pertains to its exploration activities.

The results of the exploration programme to date are in line with initial expectations supported by publicly available information relating to PGM projects on the Great Dyke. It is probable that, based on the extensive exploration area, continued drilling programme will be required to properly delineate the resource and reserve and the optimal site for commencement of mining operations. Based on the exploration activity results there is therefore no reason to consider impairing the investment.

While it is common purpose/knowledge based on press coverage that the economic situation in Zimbabwe may be considered unstable, Karo Holdings is undertaking exploration activities and is contributing to the economy of the country. The economic situation in Zimbabwe, while presenting a more challenging environment in which to operate, has not impacted on the exploration programme in such a manner as to require an impairment to the investment. The currency policies and the changes thereto have needed to be navigated. Expenditure is mainly denominated in US\$, the functional currency of Karo Holdings. It is worth noting that the major PGM producers have mining operations in Zimbabwe that are operating profitably.

The operations are currently at an exploration phase. The Zimbabwean government has historically respected the sanctity of mining tenements and the special grants awarded to Karo Platinum (Private) Limited ('Karo Platinum') were awarded in terms of the applicable legal framework. The political position of Zimbabwe is that it 'is open for business' and is endeavouring to attract foreign inward investment. This is supported by the restitution of farm land and/or agreement to settle amounts owing to previous farmers in Zimbabwe. As such, while the political stability of Zimbabwe was considered as part of the impairment review process, there is no indication that the investment should be impaired.

The Karo Platinum exploration area was afforded Special Economic Zone status which provides certain benefits to companies operating within such zones including the importation of equipment on a duty free basis, retention of sales proceeds in US\$, payment of certain suppliers in US\$ and numerous other benefits. The Company needed to navigate the currency regulations, which it did in consultation with the Zimbabwean Reserve Bank, finance and mining ministries.

Judgements and estimates: functional currency

In accordance with IAS21, Karo Holdings has considered the following factors in the determination of the functional currency:

- Currency of sales and future sales. While operations are still in exploration phase, PGM concentrates and chrome concentrate sales are concluded in US\$;
- Currency of operating costs. The majority of costs are paid in US\$ to service providers in Zimbabwe, South Africa, Cyprus and Australia. Fees for services are quoted in US\$. Karo Zimbabwe Holdings (Private) Limited obtained foreign exchange control approval to allow funds to be transferred into its Zimbabwean local account during the 2019 financial year. While local transactions in foreign currency were outlawed on 24 June 2019 as a result of the introduction of the sole Zimbabwean currency, such transactions were limited due to the pending foreign exchange control application. Thus, on the basis of costs, the operating currency would be the US\$;
- Funding: the funding made available to Karo Holdings is denominated in US\$. Using funding as the basis for the determination of functional currency, it is clear that the functional currency is the US\$.
- Cash flows: the cash flows comprised US\$ denominated intergroup loans paid directly to the service providers and suppliers of goods; and
- Group considerations: Karo Zimbabwe Holdings (Private) Limited is a 100% subsidiary of Karo Holdings domiciled in Cyprus. In terms of degree of autonomy of Karo Zimbabwe Holdings (Private) Limited and its subsidiaries, the group is dependent on the parent.

The Group concludes that the functional currency of the Karo Group is the US\$. The Zimbabwean government has issued a number of statutory instruments while it has been managing in a hyperinflationary economic environment with a shortage of hard foreign currency reserves. There are various advantages to a Special Economic Zone, ranging from beneficial tax rates for a certain period of time, to no licences required and no import duty for the import of equipment. The benefits of the Special Economic Zone therefore mitigated the risks associated with the currency regulations and the functional currency of Karo being US\$ addressed the weakening ZWL supported by nominal expenses being denominated in ZWL which would, in any event, benefit Karo Holdings.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED

12. OTHER FINANCIAL ASSETS

	Fair value hierarchy	2020 US\$'000	2019 US\$'000
<i>Non-current assets:</i>			
Investments in money markets, current accounts, cash funds and income funds	Level 2	6 791	6 080
<i>Current assets:</i>			
Investments in equity instruments	Level 1	8	23
Option to acquire shares in Salene Chrome Zimbabwe (Private) Limited	Level 3	178	–
Prepaid investment in Salene Chrome Zimbabwe (Private) Limited	Amortised cost	1 976	1 367
Loan receivable	Amortised cost	7	–
		2 169	1 390

Investments in money markets, current accounts, cash funds and income funds – fair value through profit or loss

Investment in money market and current accounts totalling US\$5.6 million (2019: US\$4.8 million) is managed by Centriq Insurance Company Limited ('Centriq'). The investment serves as security for the guarantee issued by Centriq to the Department of Mineral Resources and Energy ('DMRE') for the rehabilitation provision. The guarantee issued by Centriq has a fixed cover period from 1 December 2014 to 30 November 2020.

Investment in cash funds and income funds of US\$1.2 million (2019: US\$1.3 million) managed by Stanlib Collective Investments. The investment is ceded to Lombard Insurance Group ('Lombard') against a ZAR12.0 million (2019: ZAR12.0 million) guarantee issued by Lombard on behalf of Arxo Logistics Proprietary Limited to Transnet Freight Rail, a division of Transnet SOC Limited. These investments are separately administered and the Group's right of access to these funds is restricted.

The investments in cash funds and income funds are held at fair value through profit or loss (designated). The underlying investments are in money market and other funds and the fair value has been determined by reference to their quoted prices.

Investments in equity instruments – fair value through profit or loss

Investments at fair value through profit or loss are valued based on quoted market prices at the end of the reporting period without any deduction for transaction costs. The investment represents shares in the Bank of Cyprus Public Co Limited.

Option to acquire shares in Salene Chrome Zimbabwe (Private) Limited

Management assessed the terms and conditions of this call option and considered whether the potential voting rights in Salene from the future exercise of the option are substantive, as defined in IFRS 10. This assessment took into account, among others, a number of conditions precedent, including the JSE Listings Requirements pertaining to related party transactions, as well as other regulatory approvals that preclude the Company from exercising its right. Based on this evaluation, management concluded that it did not have the practical ability to exercise the right as at 30 September 2020.

The Company has been granted a call option to acquire a 90.0% shareholding in Salene Chrome Zimbabwe (Private) Limited ('Salene') a company incorporated in Zimbabwe from the Leto Settlement, a related party (refer to note 35). Salene has been awarded special grants under the Zimbabwe Mines and Minerals Act covering an area of approximately 9 500 hectares (95 km²) on the eastern and western sides of the Great Dyke in Zimbabwe, which entitles it to mine the minerals thereon. The call option originally expired on 30 September 2020 but was extended to 31 December 2020. The decision to exercise the call option is at the Group's election and is exercisable upon either the completion of an initial exploration programme or the Group being in possession of appropriate and reliable information about the project value. In consideration of the call option, the Group will undertake the initial exploration programme including the costs thereof up to an amount of US\$3.2 million. At 30 September 2020, the Group incurred US\$2.0 million (2019: US\$1.4 million) of exploration costs relating to the initial exploration programme. At the date of this report, the call option has not yet been exercised.

During the year ended 30 September 2020, notwithstanding that the exploration programme being undertaken by Tharisa was not complete, the Leto Settlement, the shareholder of Salene, funded and commenced with mining operations on a trial basis. This practice of trial mining is typical for mining chrome on the Great Dyke. Consequently, site clearance commenced followed by bulk stripping. The trial mining operations commenced on 20 April 2020. The commercial viability of producing chrome from the Salene deposit will form part of the assessment on the exercise of the call option in Salene. Following the commencement of mining operations, the Group decided to suspend the initial exploration programme.

With the results available from the exploration activities concluded, preliminary mining being undertaken and the mining producing lumpy chrome material, the Group is better positioned to assess the project value. The Group completed a discounted cash flow model by using the following significant inputs:

Life of open pit mine	Four years
Annual chrome concentrate production	60 kt
Discount rate	11.8%
Chrome lumpy ore FCA selling price	US\$70 per tonne

As at 30 September 2020, US\$2.0 million (2019: US\$1.4 million) relates to exploration costs invested in the initial exploration programme. Taking this into account, as at 30 September 2020 the fair value of the option to acquire the shares amounts to US\$0.2 million (2019: US\$ nil) for which a fair value gain of US\$0.2 million was recognised in prior or loss.

12. OTHER FINANCIAL ASSETS (continued)**Option to acquire shares in Salene Chrome Zimbabwe (Private) Limited (continued)**

Management assessed the terms and conditions of this call option and considered whether the potential voting rights in Salene from the future exercise of the option are substantive, as defined in IFRS 10. This assessment took into account, among others, a number of conditions precedent, including the JSE Listings Requirements pertaining to related party transactions, as well as other regulatory approvals that preclude the Company from exercising its right. Based on this evaluation, management concluded that it did not have the practical ability to exercise the right as at 30 September 2020.

13. INVENTORIES

	2020 US\$'000	2019 US\$'000
Finished products	12 978	16 436
Ore stockpile	8 962	3 158
Consumables	19 810	16 854
	41 750	36 448
Impairment reversal/(impairment) of consumables	114	(114)
Total carrying amount	41 864	36 334

Inventories are stated at the lower of cost or net realisable value. The Group reversed certain previously impaired consumables and spares during the year ended 30 September 2020. These consumables and spares were impaired during the year ended 30 September 2019. The reversal of the impairment is allocated 75.0% and 25.0% respectively to the PGM and chrome operating segments) (2019: allocated 55.0% to the PGM operating segment and 45.0% to the chrome operating segment).

PGM finished products were written down to the net realisable value during the year ended 30 September 2020. The net realisable write down amounted to US\$0.5 million (2019: US\$0.2 million) and is allocated to the PGM segment.

Inventories serve as collateral for the bank credit facilities, refer to note 18.

14. TRADE AND OTHER RECEIVABLES

	2020 US\$'000	2019 US\$'000
Trade receivables	61 474	26 119
PGM discounting receivable	37 059	33 686
Total trade receivables	98 533	59 805
Other receivables – related parties (refer to note 23)	1 440	342
Deposits, prepayments and other receivables	4 250	3 757
Accrued income	1 119	1 659
Value added tax receivable (VAT)	6 714	8 294
	112 056	73 857

Trade and other receivables of the Group are expected to be recoverable within one year from each reporting date. Trade receivables are unsecured, non-interest bearing and payment terms vary from 0 to 120 days (2019: 0 to 120 days). No impairment of trade receivables was recognised during the year ended 30 September 2020 (2019: no impairment).

The table below summarises the maturity of trade receivables:

	2020 US\$'000	2019 US\$'000
Current	98 011	58 714
Less than 90 days past due but not impaired	13	164
Greater than 90 days past due but not impaired	509	927
	98 533	59 805

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14. TRADE AND OTHER RECEIVABLES (continued)

	2020 US\$'000	2019 US\$'000
The credit exposure of trade receivables by country is as follows:		
South Africa	70 873	43 982
China	10 723	7 049
Hong Kong	8 890	5 125
Singapore	4 232	363
United Arab Emirates	3 815	3 286
	98 533	59 805
The foreign currency denominated balances, included in trade receivables were as follows:		
ZAR'000	58 783	126 998
EUR'000	7	6
GBP'000	34	22

At 30 September 2020, the Group had certain unresolved tax matters. Included in trade and other receivables is an amount of US\$5.5 million (ZAR91.2 million) which relates to diesel rebates receivable from the South African Revenue Service ('SARS') in respect of the mining operations. The amount of US\$0.5 million (ZAR8.8 million) of this receivable relates to the amount that is undisputed in the current year. SARS rejected diesel claims of US\$4.3 million (ZAR71.1 million) for the period September 2011 to April 2017 and also rejected the claim of US\$1.8 million (ZAR30.0 million) relating to May 2017 to February 2018. An accounting receivable of ZAR82.3 million has been raised in relation to the total amount of ZAR101.0 million in dispute. The Group is taking the necessary action to recover the amount due.

15. CASH AND CASH EQUIVALENTS

	2020 US\$'000	2019 US\$'000	
Bank balances	47 103	55 409	
Short-term bank deposits	2 190	3 792	
	49 293	59 201	
The credit exposure by country is as follows:			
South Africa	29 093	48 391	
Hong Kong	13 813	8 482	
Mauritius	644	923	
Cyprus	5 247	649	
Other countries	496	756	
	49 293	59 201	
The credit exposure by bank and credit ratings are as follows:			
Nedbank	BB+	19 679	24 663
HSBC	AA+	13 843	10 956
Bank of China	A	6 345	12 611
Bank of Cyprus	B-	5 259	666
Citibank	A	2 652	8 696
Absa	BB+	994	987
Other	B- to BB+	521	622
	49 293	59 201	

The amounts reflected above approximate fair value.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are generally call deposit accounts and earn interest at the respective short-term deposit rates.

At 30 September 2020, an amount of US\$0.9 million (2019: US\$1.3 million) was provided as security for a bank guarantee issued in favour of a trade creditor of a subsidiary of the Group and US\$0.3 million (2019: US\$0.3 million) was provided as security against certain credit facilities of the Group.

16. SHARE CAPITAL AND RESERVES**Share capital**

	30 September 2020		30 September 2019	
	Number of Shares	US\$'000	Number of Shares	US\$'000
Authorised – ordinary shares of US\$0.001 each				
As at 30 September	10 000 000 000	10 000	10 000 000 000	10 000
Authorised – convertible redeemable preference shares of US\$1 each				
As at 30 September	1 051	1	1 051	1
Issued				
Ordinary shares				
Balance at the beginning of the year	270 000 000	270	265 000 000	265
Issued to treasury shares	5 000 000	5	5 000 000	5
Balance at the end of the year	275 000 000	275	270 000 000	270
Treasury shares				
Balance at the beginning of the year	3 389 678	3	4 097 571	4
Issued	5 000 000	5	5 000 000	5
Transferred as part of management share award plans	(1 865 992)	(2)	(5 707 893)	(6)
Balance at the end of the year	6 523 686	6	3 389 678	3
Issued and fully paid	268 476 314	269	266 610 322	267
Share premium				
Balance at the beginning of the year	266 610 322	284 926	260 902 429	280 545
Shares issued	1 865 992	1 734	5 707 893	4 381
Balance at the end of the year	268 476 314	286 660	266 610 322	284 926
Total share capital and premium		286 929		285 193

Share capital

Allotments during the year were in respect of 5 000 000 (2019: 5 000 000) ordinary shares issued as treasury shares to satisfy the vesting of Conditional Awards and potential future settlement of Appreciation Rights of the participants' of the Tharisa Share Award Plan.

During the year ended 30 September 2020, 1 865 992 (2019: 5 707 893) ordinary shares were transferred from treasury shares to satisfy the vesting/exercise of Conditional Awards and Appreciation Rights by the participants of the Tharisa Share Award Plan.

At 30 September 2020, 6 523 686 (2019: 3 389 678) ordinary shares were held in treasury.

All shares rank equally with regard to the Company's residual assets. The holders of ordinary shares, other than treasury shares, are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Share premium

The share premium represents the excess of the issue price of ordinary shares over their nominal value, to the extent that it is registered at the Registrar of Companies in Cyprus, less share issue costs. The share premium is not distributable for dividend purposes.

During the years ended 30 September 2020 and 30 September 2019, the increases in the share premium account related to the issue and allotment of ordinary shares granted in terms of the Share Award Plan.

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17. PROVISIONS

The Group has a legal obligation to rehabilitate the mining area, once the mining operations cease. The provision has been calculated based on total estimated rehabilitation costs, discounted back to their present values. The pre-tax discount rates are adjusted annually and reflect current market assessments. These costs are expected to be utilised mostly towards the end of the life of mine and associated infrastructure, which is currently estimated to be between financial years 2032 and 2046 (2019: life of open pit mine, 14 years). The provision is determined using commercial closure cost assessments and not the inflation adjusted Department of Mineral Resources and Energy published rates.

Provision for rehabilitation	2020			2019		
	Restoration US\$'000	Decommissioning US\$'000	Total provision US\$'000	Restoration US\$'000	Decommissioning US\$'000	Total provision US\$'000
Opening balance	6 424	6 677	13 101	5 921	6 713	12 634
Recognised in profit or loss	(183)	–	(183)	415	–	415
Capitalised/(reversal) to mining assets and infrastructure	–	1 949	1 949	–	(166)	(166)
Unwinding of discount	541	562	1 103	536	604	1 140
Exchange differences	(601)	(685)	(1 286)	(448)	(474)	(922)
Closing balance	6 181	8 503	14 684	6 424	6 677	13 101

The table below illustrates the movement in the provision as a result of mining operations and changes in variables.

	Opening balance US\$'000	Mining operations US\$'000	Changes on variables S\$'000	Exchange differences US\$'000	Closing Balance US\$'000
30 September 2020					
Provision for restoration	6 424	(363)	722	(602)	6 181
Provision for decommissioning	6 677	1 164	1 348	(686)	8 503
	13 101	801	2 070	(1 288)	14 684
30 September 2019					
Provision for restoration	5 921	3 057	(2 106)	(448)	6 424
Provision for decommissioning	6 713	162	276	(474)	6 677
	12 634	3 219	(1 830)	(922)	13 101

The current estimated rehabilitation cost to be incurred mostly between financial years 2032 and 2046 (2019: at the end of the life of mine) taking escalation factors into account is US\$24.2 million (ZAR404.9 million) (2019: US\$25.6 million (ZAR388.4 million)). The estimate was calculated by an independent external expert.

The current estimated rehabilitation cost is projected to a future value based on a weighted average long-term inflation rate of 6.7% (2019: 5.51%). The net present value of the rehabilitation estimated future value is discounted based on a weighted average SWAP curve (2019: 10 year and longer daily average yield based on government bonds). The calculated interest rate was 9.3% (2019: 9.0%).

An insurance company has provided a guarantee to the DMRE to satisfy the legal requirements with respect to environmental rehabilitation and the Group has pledged as collateral its investments in interest-bearing instruments to the insurance company to support this guarantee.

18. BORROWINGS

	2020 US\$'000	2019 US\$'000
<i>Non-current</i>		
Facilities	-	4 279
Equipment loan facility	12 738	7 901
Finance leases	2 838	5 873
Loan	-	1 850
Property loans	556	-
	16 132	19 903
<i>Current</i>		
Facilities	23 849	25 000
Equipment loan facility	7 730	3 698
Finance leases	3 844	5 707
Loan	1 670	2 008
Property loans	43	-
Bank credit facilities	17 345	14 900
	54 481	51 313

Facilities

Effective 28 March 2018, the Group concluded the US\$47.9 million (ZAR800 million) Facilities which comprise of:

- a three-year senior secured amortising term loan of US\$24.0 million (ZAR400 million) ('Term loan'),
- a three-year secured committed revolving facility of US\$18.0 million (ZAR300 million) ('Revolving facility'); and
- an overdraft facility of US\$6.0 million (ZAR100 million) ('Overdraft').

The financing was obtained by Tharisa Minerals Proprietary Limited and guaranteed by the Company.

The Term loan bears interest at the three-month JIBAR plus 320 (2019: 320) basis points nominal annual compounded quarterly and is repayable in twelve equal consecutive quarterly instalments commencing on 30 June 2018. The Revolving facility is available for three years and bears interest at the one-month JIBAR plus 330 (2019: 340) basis points nominal annual compounded quarterly and is repayable in full at least once every twelve months. The Revolving facility is available until 31 March 2021. Interest is payable monthly in arrears. The Overdraft facility is available for one year and bears interest at the South African prime rate payable monthly in arrears.

The Facilities contain the following financial covenants for Tharisa Minerals Proprietary Limited:

- Debt to equity ratio of less than 0.67 times;
- Net debt to EBITDA of less than 2.0 times; and
- EBITDA to interest of greater than 3.0 times.

During the year ended 30 September 2020, the terms of the Term loan were amended to allow for a capital repayment holiday for the quarter ended 31 March 2020. Consequently, the Term loan will be fully repaid by 30 June 2021 (2019: 31 March 2021).

At 30 September 2020, Tharisa Minerals Proprietary Limited complied with all financial covenants.

The unutilised facilities at 30 September 2020 amounted to US\$17.3 million (ZAR289.7 million) (2019: US\$9.9 million (ZAR150 million)).

Loan

A subsidiary of the Company, Arxo Metals Proprietary Limited, entered into a loan agreement with Rand York Minerals Proprietary Limited for the advance of ZAR90 million. The loan is repayable in thirty-six equal monthly instalments that commenced on 31 August 2018. The loan is unsecured and interest is calculated at the South African prime rate plus 100 basis points.

Bank credit facilities

The bank credit facilities relate to pre-shipment finance and discounting of the letters of credit by the Group's banks following performance of the letter of credit conditions by the Group, which results in funds being received in advance of the normal payment date. Interest on these facilities at the reporting date varied between US Libor plus 1.6% pa and US Libor plus 3.0% pa (2019: US Libor plus 1.6% pa and US Libor plus 3.0% pa).

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18. BORROWINGS (continued)

Equipment loan facility

During the year ended 30 September 2018, Tharisa Minerals Proprietary Limited entered into an equipment loan facility of US\$25 million with Caterpillar Financial Services Corporation for the funding of certain Caterpillar mining equipment, both replacement parts and new mining equipment. The loan was structured in three tranches and repayment of each tranche varies between twenty-four and forty-eight equal monthly instalments, payable in arrears. Interest was calculated on the three-month US Libor plus 350.

During the year ended 30 September 2020, the terms were renegotiated and a fourth revolving tranche was added to the facility. The total facility was increased to US\$30 million, bears interest at the one-month US Libor plus 325 basis points and is repayable over 48 months. The first instalment date was 31 December 2019. The facility requires a 15% deposit on all finance transactions. The Group negotiated a three-month capital and interest payment holiday that commenced on 1 March 2020. The repayment term and interest rate remain unchanged. The equipment loan facility is secured by a first notarial bond over the equipment and is guaranteed by the Company.

The equipment loan facility contains the following Group financial covenants:

- Net debt to tangible net worth not higher than 1.4 times;
- Net debt to EBITDA lower than 2.0 times; and
- EBITDA to interest greater than 4.0 times.

At 30 September 2020, the Group complied with all financial covenants.

Finance leases

The Group entered into a number of lease arrangements for the renting of office buildings, premises, computer equipment, vehicles and mining fleet. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets such as computer equipment. Lease expenses of US\$0.1 million (2019: US\$0.1 million) and US\$0.1 million (2019: US\$0.1 million) were included in cost of sales and administrative expenses respectively for the year ended 30 September 2020.

The duration of leases relating to buildings and premises are for a period of five years, payments are due at the beginning of the month escalating annually on average by 8.0%. At 30 September 2020, the remaining term of these leases varies between three and three and a half years (2019: four and four and a half years). These leases are secured by cash deposits varying from one to three times the monthly lease payments.

The duration of leases relating to the mining fleet and manufacturing equipment are for periods between 14 and sixty-one months (2019: 14 and thirty-six months) and bear interest at interest rates between the South African prime interest rate and the South African prime interest rate plus 375 basis points (2019: South African prime interest rate plus 300 basis points). The leases are secured by the mining fleet leased. During the year ended 30 September 2020, certain of the lease agreements terms were amended. The Group negotiated a three-month lease payment holiday that commenced on 1 March 2020. Consequently, the repayment term was extended by three months.

Minimum lease payments due:

	2020 US\$'000	2019 US\$'000
Within one year	4 281	6 682
Two to five years	3 018	6 491
	7 299	13 173
Less future finance charges	(617)	(1 593)
Present value of minimum lease payments due	6 682	11 580
Present value of minimum lease payments due:		
Within one year	3 840	5 687
Two to five years	2 842	5 893
	6 682	11 580

Property loans

As part of the business combination (refer to note 21), the Group acquired industrial premises and buildings. MetQ Proprietary Limited acquired these buildings and premises immediately before the business combination and secured funding in the form of loans owing to the previous owners. These loans bear interest at the RSA prime rate and are repayable in 10 years from 1 October 2019.

18. BORROWINGS (continued)

	Facilities US\$'000	Equipment loan facility US\$'000	Finance leases US\$'000	Bank credit facilities US\$'000	Loan US\$'000	Property loans US\$'000	Other US\$'000	Total borrowings US\$'000
Balance 30 September 2019	29 279	11 599	11 580	14 900	3 858	–	–	71 216
Changes from financing cash flows								
Advances: bank credit facilities	–	–	–	95 326	–	–	–	95 326
Repayment: bank credit facilities	–	–	–	(92 839)	–	–	–	(92 839)
Net repayment of bank credit facilities	–	–	–	2 487	–	–	–	2 487
Advances received	6 164	11 954	–	–	–	–	–	18 118
Repayment of borrowings	(9 394)	(4 323)	–	–	(1 886)	–	(6)	(15 609)
Lease payments	–	–	(5 673)	–	–	–	–	(5 673)
Repayment of interest	(2 272)	(865)	–	(269)	(273)	–	–	(3 679)
Changes from financing cash flows	(5 502)	6 766	(5 673)	2 218	(2 159)	–	(6)	(4 356)
Foreign currency translation differences	(2 612)	(1 359)	(948)	–	(302)	(61)	–	(5 282)
Liability-related changes								
Lease agreements entered into	–	–	715	–	–	–	–	715
Re-measurement of lease liabilities	–	–	40	–	–	–	–	40
Business combination (note 21)	–	–	–	–	–	660	6	666
Interest expense	2 684	957	906	227	273	–	–	5 047
Revaluation of foreign denominated loan	–	2 505	62	–	–	–	–	2 567
Total liability-related changes	2 684	3 462	1 723	227	273	660	6	9 035
Balance at 30 September 2020	23 849	20 468	6 682	17 345	1 670	599	–	70 613
Non-current borrowings	–	12 738	2 838	–	–	556	–	16 132
Current borrowings	23 849	7 730	3 844	17 345	1 670	43	–	54 481
Total borrowings	23 849	20 468	6 682	17 345	1 670	599	–	70 613

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CONTINUED

18. BORROWINGS (continued)

	Facilities US\$'000	Equipment loan facility US\$'000	Finance leases US\$'000	Bank credit facilities US\$'000	Loan US\$'000	Total borrowings US\$'000
Balance 30 September 2018	22 815	7 495	11 804	29 243	6 062	77 419
Changes from financing cash flows						
Advances: bank credit facilities	–	–	–	151 626	–	151 626
Repayment: bank credit facilities	–	–	–	(165 973)	–	(165 973)
Net repayment of bank credit facilities	–	–	–	(14 347)	–	(14 347)
Advances received	17 426	11 050	–	–	–	28 476
Repayment of borrowings	(9 294)	(7 831)	–	–	(1 899)	(19 024)
Lease payments	–	–	(6 647)	–	–	(6 647)
Repayment of interest	(2 549)	(602)	–	(524)	(570)	(4 245)
Changes from financing cash flows	5 583	2 617	(6 647)	(14 871)	(2 469)	(15 787)
Foreign currency translation differences	(1 986)	(764)	(821)	–	(305)	(3 876)
Liability-related changes						
Lease agreements entered into	–	–	5 924	–	–	5 924
Interest expense	2 867	759	1 320	528	570	6 044
Revaluation of foreign denominated loan	–	1 492	–	–	–	1 492
Total liability-related changes	2 867	2 251	7 244	528	570	13 460
Balance at 30 September 2019	29 279	11 599	11 580	14 900	3 858	71 216
Non-current borrowings	4 279	7 901	5 873	–	1 850	19 903
Current borrowings	25 000	3 698	5 707	14 900	2 008	51 313
Total borrowings	29 279	11 599	11 580	14 900	3 858	71 216

19. OTHER FINANCIAL LIABILITIES

		2020 US\$'000	2019 US\$'000
	Fair value hierarchy		
Discount facility	Level 2	6 035	2 085
Forward exchange contracts	Level 2	109	299
		6 144	2 384

Discount facility

Discount facility relates to fair value adjustments on the limited recourse disclosed receivables discounting facility with ABSA and Nedbank in terms of which 98.0% of the sales of platinum, palladium and gold (included in PGM) and 50% of the sales of rhodium are discounted at LIBOR plus 326 basis points (2019: LIBOR plus 265 points). The facility is for US\$33.0 million (2019: an amount in US\$ equivalent to ZAR300.0 million). The balance is held at fair value through profit or loss.

Forward exchange contracts – fair value through profit or loss

The Group entered into a number of forward exchange contracts to hedge certain aspects of the foreign exchange risk associated to the conversion of the US\$ to the ZAR and the EUR to the ZAR. At 30 September 2020 the net exposure of these contracts was US\$12.8 million (no EUR exposure) (2019: US\$12.8 million and EUR1.5 million) with various expiries no later than 15 January 2021 (2019: no later than 15 January 2020). The forward exchange contracts were mark-to-market by using applicable closing exchange rates at 30 September 2020.

20. TRADE AND OTHER PAYABLES

	2020 US\$'000	2019 US\$'000
Trade payables	23 924	34 381
Accrued expenses	14 163	11 670
Leave pay accrual	4 481	3 990
Value added tax payable	1 531	436
Provision for mining royalty	8 571	230
Other payables – related parties (note 23)	237	27
Other payables	45	44
	52 952	50 778
Trade payables denominated in foreign currency balances were as follows:		
ZAR (ZAR'000)	369 844	495 300
EUR (EUR'000)	248	202
GBP (GBP'000)	–	8

The amounts above are unsecured, non-interest bearing and payable within one year from the reporting period. The amounts reflected above approximate fair value, due to the short-term thereof.

21. BUSINESS COMBINATION

Effective 1 October 2019, the Company acquired 100.0% of the issued share capital of MetQ Proprietary Limited ('MetQ'), a company incorporated in South Africa. MetQ manufactures equipment used in the mining industry. The total purchase consideration was US\$2.6 million (ZAR40.0 million). Of the total purchase consideration, US\$1.8 million (ZAR27.5 million) was settled in cash on the effective acquisition date while US\$0.7 million (ZAR12.5 million) was deferred and subject to MetQ achieving certain profit targets during the year ended 30 September 2020. The deferred purchase price represents a contingent consideration.

Following the COVID-19 outbreak and the consequent adverse impact on global markets, the Group amended the purchase agreement. Previously the contingent consideration was subject to MetQ achieving certain profits targets during the financial year ended 30 September 2020. The required profit target for the year ended 30 September 2020 was replaced by the aggregate profit for the six months ended/ending 31 March 2020 and 31 March 2021. Consequently, the deferred consideration will only be finalised by 31 March 2021.

The Company continually monitors MetQ's profit targets. At 1 October 2019, the Company believes that it is unlikely that MetQ will achieve the required profit targets. Therefore, the Company has not recognised the contingent consideration.

In addition, the purchase agreement stipulates that at 30 September 2020, MetQ was required to maintain a certain working capital balance. In the event that the working capital balance was below the contracted balance, the shortfall would be set-off against any deferred consideration, if applicable. In the event that the amended profit targets are not met, the balance would become due and payable.

At 1 October 2019, the required working capital balance was below the contracted balance and accordingly an amount of US\$0.2 million was recognised as a receivable and a reduction in the purchase consideration.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED

21. BUSINESS COMBINATION

The following table summarises the fair value of the Company's assets and liabilities at the acquisition date:

	Fair value recognised on acquisition US\$'000
Assets	
Property, plant and equipment	1 053
Inventories	572
Trade and other receivables	380
Cash and cash equivalents	118
	2 123
Liabilities	
Borrowings	(666)
Deferred tax	(54)
Trade and other payables	(232)
	(952)
Total identifiable net assets at fair value	1 171
Less cash and cash equivalents acquired	(118)
Less amounts receivable from the Group	(47)
Goodwill arising on acquisition	480
Purchase consideration	1 486
Below a summary of MetQ's statement of profit or loss included in the condensed consolidated financial statements:	
Revenue	2 961
Cost of sales	(2 349)
Gross profit	612
Net profit after tax	44

The purchase consideration was funded from existing cash resources of the Group. The transaction cost was US\$0.1 million.

The goodwill recognised is attributed to existing relationships with customers, industry knowledge and technical expertise relating to the manufacture of the mining equipment. The goodwill is not tax deductible.

22. FINANCIAL RISK MANAGEMENT

Fair values

The Board of Directors considers that the fair values of significant financial assets and financial liabilities approximate to their carrying values at each reporting date.

Financial instruments carried at fair value:

The following table presents the carrying values of financial instruments measured at fair value at the end of each reporting period across the three levels of the fair value hierarchy defined in IFRS 13 *Fair Value Measurement*, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement.

The levels are defined as follows:

Level 1: fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments (highest level).

Level 2: fair values measured using quoted prices in active markets for similar financial instruments, or using valuation methodologies in which all significant inputs are directly or indirectly based on observable market data.

Level 3: fair values measured using valuation methodologies in which any significant inputs are not based on observable market data.

22. FINANCIAL RISK MANAGEMENT (continued)

Financial instrument	Fair value level	Fair value		Valuation technique and key inputs
		2020 US\$'000	2019 US\$'000	
Financial assets measured at fair value				
Investments in equity instruments	Level 1	8	23	Quoted market price for the same instrument
Investments in money markets, current accounts, cash funds and income funds	Level 2	6 791	6 080	Quoted market price for the same instrument
Option to acquire shares in Salene Chrome Zimbabwe (Private) Limited	Level 3	178	–	Discounted cash flow model
				Closing market metal prices US\$ exchange rate
Trade and other receivables measured at fair value				
PGM receivable	Level 2	37 059	33 686	Quoted market metal prices and exchange rate (refer below)
Financial liabilities measured at fair value				
Discount facility	Level 2	6 035	2 085	Quoted market metal prices and exchange rate
Forward exchange contracts	Level 2	109	299	Quoted market closing exchange rates

There have been no transfers between fair value hierarchy levels in the current year.

Refer to note 5 for the fair value recognised relating to the PGM receivable. Fair value gains and losses recognised on financial instruments during the year:

	2020 US\$'000	2019 US\$'000
Changes in fair value of financial assets at fair value through profit or loss		
Investments in equity instruments	(15)	(16)
Investments in money markets, current accounts, cash funds and income funds	313	328
Option to acquire shares in Salene Chrome Zimbabwe (Private) Limited	178	–
	476	312
Changes in fair value of financial liabilities at fair value through profit or loss		
Discount facility	(5 940)	(3 234)
Forward exchange contracts	167	(1 109)
	(5 773)	(4 343)

Fair values Level 3: Option to acquire shares in Salene Chrome Zimbabwe (Private) Limited

As at 30 September 2020, US\$2.0 million (2019: US\$1.4 million) relates to exploration costs invested in the initial exploration programme. Taking this into account, as at 30 September 2020 the fair value of the option to acquire the shares, estimated using a discounted cash flow model, amounts to US\$0.2 million (2019: US\$ nil) for which a fair value gain of US\$0.2 million was recognised in prior or loss in the year ended 30 September 2020. Significant inputs used to determine the fair value of the option are stated below. A sensitivity analysis of the value of the project was performed by changing the significant inputs to the following:

Significant input	Assumption used	Sensitivity	Impact on the project value
Life of open pit mine	Four years	3.5 years to 4.5 years	A decrease of US\$272 thousand and an increase of US\$256 thousand
Annual chrome concentrate production	60 kt	50 kt to 70 kt	A decrease of US\$1 000 thousand and an increase of US\$903 thousand
Discount rate	11.8%	10.8% to 12.8%	An increase of US\$67 thousand and a decrease of US\$65 thousand
Chrome lumpy ore FCA selling price	US\$70 per tonne	US\$60 per tonne to US\$80 per tonne	A decrease of US\$1 609 thousand and an increase of US\$1 609 thousand

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED

22. FINANCIAL RISK MANAGEMENT (continued)

Estimation of fair values		2020	2019
The following key inputs were used in determining the fair value of the PGM receivable:			
Platinum	US\$/oz	909	944
Palladium	US\$/oz	2 296	1 601
Rhodium	US\$/oz	12 788	4 588
Gold	US\$/oz	1 923	1 511
Ruthenium	US\$/oz	230	209
Iridium	US\$/oz	1 613	1 440
Metallurgical chrome concentrate + Exchange rate	US\$/tonne	135 16.71	149 14.85
The carrying value less impairment allowance of trade receivables and the carrying value of trade payables are assumed to approximate their fair values as the short-term effect of discounting is not material. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.			

23. RELATED PARTY TRANSACTIONS AND BALANCES

In the normal course of the business, the Group enters into various transactions with related parties. Related party transactions exist between shareholders, joint ventures, directors, directors of subsidiaries and key management personnel. Outstanding balances at the year-end are unsecured and settlement occurs in cash. All intergroup transactions have been eliminated on consolidation.

	2020 US\$'000	2019 US\$'000
Loans receivable		
Karo Mining Holdings Limited	8 131	5 995
Alta Steenkamp	7	–
Trade and other receivables (note 14)		
Thys and Alta Steenkamp	169	–
The Tharisa Community Trust	4	4
Rocasize Proprietary Limited	27	13
Karo Mining Holdings Limited	348	–
Karo Zimbabwe Holdings (Private) Limited	255	26
Karo Platinum (Private) Limited	223	18
Karo Power Generation (Private) Limited	135	2
Salene Chrome Zimbabwe (Private) Limited	265	264
Salene Mining Proprietary Limited	14	15
	1 440	342

23. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

	2020 US\$'000	2019 US\$'000
Trade and other payables (note 20)		
Karo Mining Holdings Limited	94	5
Karo Zimbabwe Holdings (Private) Limited	6	–
Karo Platinum (Private) Limited	28	21
Rocasize Proprietary Limited	1	1
	129	27
Amounts due to directors		
A Djakouris	20	–
J Salter	22	–
O Kamal	12	–
C Bell	18	–
R Davey	15	–
Z Hong	9	–
V Chu	2	–
J Hu	10	–
	108	–
Total other payables	237	27
Property loans		
Ross Two-10-Properties Proprietary Limited	138	–
Rohcon Engineering Proprietary Limited	174	–
PCMQ Proprietary Limited	180	–
Thys & Alta Properties Proprietary Limited	107	–
	599	–
Revenue		
Salene Manganese Proprietary Limited	80	–
Salene Technologies Proprietary Limited	2	–
Cost of sales		
Rocasize Proprietary Limited	331	393
Salene Chrome (Private) Limited	38	–
Other income		
Karo Zimbabwe Holdings (Private) Limited	3	42
Karo Platinum (Private) Limited	2	37
Karo Power Generation (Private) Limited	–	3
Rocasize Proprietary Limited	9	9
Salene Chrome Proprietary Limited	–	2
Consulting fees received		
Rocasize Proprietary Limited	12	15
Salene Chrome Proprietary Limited	88	43
Karo Platinum (Private) Limited	224	189
Karo Power Generation (Private) Limited	133	59
Karo Zimbabwe Holdings (Private) Limited	181	213

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

CONTINUED

23. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

	2020 US\$'000	2019 US\$'000
Rent paid		
Ross Two-10-Properties Proprietary Limited	4	–
Rohcon Engineering Proprietary Limited	4	–
PCMQ Proprietary Limited	34	–
Thys & Alta Properties Proprietary Limited	16	–
Donations paid		
The Music for the Children Foundation	25	12
Interest receivable		
Karo Mining Holdings Limited	270	–
Interest paid		
Ross Two-10-Properties Proprietary Limited	11	–
Rohcon Engineering Proprietary Limited	14	–

Compensation to Directors and key management:

	Salary and fees US\$'000	Expense allowances US\$'000	Share-based payments US\$'000	Provident fund and risk benefits US\$'000	Bonus US\$'000	Total US\$'000
2020						
Non-executive directors	626	–	–	–	–	626
Executive directors	1 637	7	387	73	59	2 163
Other key management	1 098	24	279	113	60	1 574
	3 361	31	666	186	119	4 363
2019						
Non-executive directors	629	–	–	–	–	629
Executive directors	1 590	8	1 178	76	219	3 071
Other key management	1 196	29	907	129	190	2 451
	3 415	37	2 085	205	409	6 151

Awards to the key management in the period under review are as follows:

	Opening balance	Inclusion of additional employee	Allocated	Vested	Forfeited	Total
2020 Ordinary shares						
LTIP – executive directors	1 626 960	–	1 559 892	(456 262)	(350 788)	2 379 802
LTIP – key management	1 246 246	–	967 470	(362 384)	(275 174)	1 576 158
2019 Ordinary shares						
LTIP – executive directors	1 605 423	–	881 262	(743 524)	(116 201)	1 626 960
LTIP – key management	1 099 439	286 656	587 838	(619 289)	(108 398)	1 246 246

23. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

	Opening balance	Inclusion of additional employee	Allocated	Vested	Forfeited	Total
2020 Ordinary shares						
SARS – executive directors	1 229 864	–	–	(263 053)	(526 180)	440 631
SARS – key management	913 032	–	–	(206 350)	(412 763)	293 919
2019 Ordinary shares						
SARS – executive directors	1 118 547	–	881 262	(595 643)	(174 302)	1 229 864
SARS – key management	765 744	221 868	587 838	(499 821)	(162 597)	913 032

Option to acquire shares in Salene Manganese Proprietary Limited

On 9 July 2019, the Company was granted a call option to acquire a 70.0% shareholding in Salene Manganese Proprietary Limited, a company incorporated in South Africa. The purchase consideration to acquire 70.0% of the shareholding will be equal to 70.0% of the market value of Salene Manganese Proprietary Limited. Salene Manganese Proprietary Limited's principal activity is a manganese exploration and mining company. Salene Manganese Proprietary Limited purchased a mining right issued over the farm Macarthy 559, Kuruman district in South Africa. The mining right is for the mining of iron ore and manganese ore. At 30 September 2020 the call option had not yet been exercised. The call option is exercisable on or before 14 August 2021.

Management assessed the terms and conditions of this call option and considered whether the potential voting rights in Salene Manganese Proprietary Limited from the future exercise of the option are substantive, as defined in IFRS 10. This assessment took into account, among others, a number of conditions precedent, including the JSE Listings Requirements pertaining to related party transactions, as well as other regulatory approvals that preclude the Company from exercising its right. Based on this evaluation, management concluded that it did not have the practical ability to exercise the right as at 30 September 2020.

Relationships between parties:***The Tharisa Community Trust and Rocasize Proprietary Limited***

The Tharisa Community Trust is a shareholder of Tharisa Minerals Proprietary Limited and owns 100% of the issued ordinary share capital of Rocasize Proprietary Limited.

The Music for the Children Foundation

A director of the Company is a Trustee of this non-profit organisation.

Salene Technologies Proprietary Limited, Salene Manganese Proprietary Limited and Salene Mining Proprietary Limited

A director of the Company is also a director of these companies.

Thys and Alta Steenkamp

Former shareholders of MetQ Proprietary Limited.

Ross Two-10-Properties Proprietary Limited, Rohcon Engineering Proprietary Limited, PCMQ Proprietary Limited and Thys & Alta Properties Proprietary Limited

A director of MetQ Proprietary Limited is also a director of these companies.

The Leto Settlement

The beneficial shareholder of Medway Developments Limited, a material shareholder in the Company.

Salene Chrome Zimbabwe (Private) Limited

This company is a wholly owned subsidiary of the Leto Settlement, the beneficial shareholder of Medway Developments Limited, a material shareholder in the Company.

Karo Mining Holdings Limited, Karo Zimbabwe Holdings (Private) Limited, Karo Platinum (Private) Limited and Karo Power Generation (Private) Limited

The Company owns 26.8% of the issued share capital of Karo Mining Holdings Limited. Karo Mining Holdings Limited owns 100% of the issued share capital of Karo Zimbabwe Holdings (Private) Limited, Karo Platinum (Private) Limited and Karo Power Generation (Private) Limited.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED

24. CONTINGENT LIABILITIES

At 30 September 2020, the Group had certain unresolved tax matters. Included in trade and other receivables is an amount of US\$5.5 million (ZAR91.2) million which relates to diesel rebates receivable from the South African Revenue Service ('SARS') in respect of the mining operations. The amount of US\$0.5 million (ZAR8.8 million) of this receivable relates to the amount that is undisputed in the current year. SARS rejected diesel claims of US\$4.3 million (ZAR71.1 million) for the period September 2011 to April 2017 and also rejected the claim of US\$1.8 million (ZAR30.0 million) relating to May 2017 to February 2018. An accounting receivable of ZAR82.3 million has been raised in relation to the total amount of ZAR101.0 million in dispute. The Group is taking the necessary action to recover the amount due.

The Group has objected to an assessment issued by SARS imposing an additional mining royalty in relation to the 2015 and 2017 years of assessment in an amount of US\$6.1 million (ZAR102.3 million) (inclusive of penalties and interest). SARS increased the gross sales value of the PGM sales to the minimum specified condition (of 150 parts per million) as set out in the legislation by adjusting the average PGM grade on a linear basis. SARS did not take into account the increase in the associated costs to bring the concentrate to the minimum specified condition whether on a linear basis or otherwise. This is inconsistent with both past practice by SARS and industry applied norms. The Group objected against the assessment on the basis that it is not in terms of the applicable legislation and is of the view that the prospects of successfully objecting to the assessment is high. The Group, together with its legal adviser, has re-assessed the basis on which it is liable for payment of the mining royalty challenging both the linear basis of grossing up the sales value and determining the incremental costs which would be incurred in bringing the concentrate to the minimum specified standard.

In the event that SARS would be successful, the Group estimates the incremental mining royalty for the period up to the current year of assessment to be US\$7.4 million (ZAR124.2 million) (net of tax: US\$5.4 million (ZAR89.4 million)).

If the Group is successful with a favourable outcome of calculating the mining royalty on the re-assessed basis, it would result in a refund of past royalty payments with a net inflow to the Group.

The principles being applied have not been tested by either SARS or the judiciary and there is therefore uncertainty on the possible outcome of the objection, which could lead to an outflow (royalty payable to SARS) or inflow (amount recovered by the Group from SARS). Furthermore, the time period to reach finality may be protracted. Accordingly, no estimate of the contingent amount receivable has therefore been made.

As at 30 September 2020, there is no litigation (2019: no litigation), current or pending, which is considered likely to have a material adverse effect on the Group.

25. CAPITAL COMMITMENTS AND GUARANTEES

	2020 US\$'000	2019 US\$'000
Capital commitments		
Authorised and contracted	20 015	17 062
Authorised and not contracted	10 682	805
	30 697	17 867

The above commitments are with respect to property, plant and equipment and are outstanding at the respective reporting period. All contracted amounts will be funded through existing funding mechanisms within the Group and cash generated from operations. Balances denominated in currencies other than the US\$ were converted at the closing rates of exchange ruling at 30 September 2020.

26. EVENTS AFTER THE REPORTING PERIOD

On 27 November 2020, the Board proposed a final dividend of US\$ 3.50 cents per share, subject to the necessary shareholder approval at the annual general meeting.

The Board of Directors is not aware of any matter or circumstance arising since the end of the financial year that will impact these financial results.

27. DIVIDENDS

During the year ended 30 September 2020, the Company declared and paid a final dividend of US\$ 0.25 cents per share in respect of the year ended 30 September 2019.

During the year ended 30 September 2019, the Company declared and paid a final dividend of US\$ 2 cents per share in respect of the year ended 30 September 2018. In addition, an interim dividend of US\$ 0.5 cents per share was declared and paid in respect of the financial year ended 30 September 2019.

INVESTOR RELATIONS REPORT

SHARE INFORMATION

Tharisa plc is listed on the Johannesburg Stock Exchange and the London Stock Exchange

Company	Tharisa plc
JSE share code	THA
LSE share code	THS
A2X share code	THA
ISIN	CY0103562118
LEI	213800WW4YWMVVZIJM90
Sector	General mining
Issued share capital as at 30 September 2019	275 000 000
Issued share capital (excluding treasury shares) as at 30 September 2020	268 476 314

	JSE	LSE
Market capitalisation as at 30 September 2020	ZAR3.98 billion	GBP200.01 million
Closing share price as at 30 September 2020	ZAR14.81	74.50p
12-month high	ZAR21.30	116.00p
12-month low	ZAR10.37	39.50p

SHAREHOLDER ANALYSIS

Analysis of shareholders as at 30 September 2020

Analysis of ordinary shareholders	Number of shareholders	Number of shares	Percentage of issued share capital	Percentage of voting rights
Holding 1 to 10 000 shares	957	854 417	0.31	0.32
Holding 10 001 to 100 000 shares	88	3 003 151	1.09	1.12
Holding 100 001 to 1 000 000 shares	42	12 859 501	4.68	4.79
Holding 1 000 001 to 5 000 000 shares	6	10 650 038	3.87	3.97
Holding 5 000 001 to 100 000 000 shares	9	131 482 201	47.81	48.97
Holding > 100 000 000 shares	1	109 627 006	39.87	40.83
Treasury shares	–	6 523 686	2.37	–
Total	1 103	275 000 000	100.00	100.00

Major shareholders

Shareholders holding 10% or more

	Number of shares	Percentage of issued share capital	Percentage of voting rights
Medway Developments Limited	109 627 006	39.87	40.83
Rance Holdings Limited	40 548 241	14.74	15.10

Shareholders holding 5% or more

FIL Limited	26 508 352	9.64	9.87
Fujian Wuhang Stainless Steel Co. Limited	19 419 920	7.06	7.23

Public and non-public shareholders	Number of shareholders	Number of shares	Percentage of issued share capital	Percentage of voting rights
Public	1 086	108 258 651	39.37	40.32
Non-public				
Directors and associates of the Company and its subsidiaries	15	10 042 416	3.65	3.74
Persons interested (other than directors), directly or indirectly, in 10% or more	2	150 175 247	54.61	55.94
Total	1 103	268 476 314	97.63	100.00

INVESTOR RELATIONS REPORT CONTINUED

Disclosure of directors' interests in the Company's share capital

The aggregate direct and indirect interests of the directors in the issued share capital of the Company are as follows:

Director	2020				2019			
	Beneficial		Non-beneficial		Beneficial		Non-beneficial	
	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect
Loucas Pouroulis	803 419				630 711	–	–	10 000
Phoevos Pouroulis	707 245	6 928 432			546 384	6 918 432	–	–
Michael Jones	554 823				474 172	–	–	–
David Salter	–	–	–	–	–	–	–	–
Antonios Djakouris	43 250	–	–	–	43 250	–	–	–
Omar Kamal	–	–	–	–	–	–	–	–
Carol Bell	61 250				31 250	–	–	–
Roger Davey	–	–	–	–	–	–	–	–
Joanna Cheng ^o	–	–	–	–	–	–	–	–
Zhong Liang Hong	–	–	–	–	–	–	–	–
Julia Zhengzhi Hu [^]	–	–	–	–	–	–	–	–
Vaneese Wing Ye Chu [#]	–	–	–	–	–	–	–	–
Total	2 169 987	6 928 432			1 725 767	6 918 432	–	10 000

^o Resigned on 29 January 2020

[^] Appointed on 29 January 2020 and resigned on 17 September 2020

[#] Appointed 17 September 2020

There have been no changes in directors' interests in the share capital between 30 September 2020 and the date of issue of this Integrated Annual Report.

NOTICE OF VIRTUAL ANNUAL GENERAL MEETING

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: 213800WW4YWMVZIJM90

('Tharisa' or the 'Company')

Notice is hereby given that the annual general meeting ('AGM') of shareholders of Tharisa will be held via remote electronic platform Microsoft Teams on Wednesday, 10 February 2021 at 10:00 SA time (UTC +2) to consider and, if deemed fit, pass, with or without modification, the ordinary and special resolutions as set out in this notice of AGM and to deal with such other business as may be dealt with at the AGM. Tharisa will be assisted by Computershare Investor Services Proprietary Limited, who will also act as scrutineers.

This notice of AGM, the Integrated Annual Report containing the condensed, consolidated financial statements and the audited annual financial statements together with all relevant reports, are available on the Company's website www.tharisa.com and available for inspection at the registered office of the Company.

Under the Companies Law, a member has the right to request an item to be included in the agenda for an AGM, as well as to request that a specific resolution be tabled and resolved upon, provided that such request is accompanied by an adequate explanation and justification for its inclusion which the Company deems to be reasonable and within the best interests of the Company and its stakeholders as a whole and provided further that such member, or members acting collectively, hold in aggregate 5% of the ordinary share capital of the Company. Requests of this nature are to be received by the Company in writing or electronically, at least 42 days before the scheduled date of the AGM.

IDENTIFICATION

Shareholders are advised that any person attending or participating in an AGM of shareholders must present reasonably satisfactory identification before being entitled to participate in and vote at the AGM and the person presiding at the AGM must be reasonably satisfied that the right of any person to participate in and vote (whether as shareholder or proxy for a shareholder) has been reasonably verified.

IMPORTANT DATES

Record date to receive notice of the AGM	Friday, 11 December 2020
Last day to trade to be eligible to vote	Tuesday, 2 February 2021
Record date to be eligible to vote at the AGM	Friday, 5 February 2021
Last day for lodging forms of instruction (by 08:00 UK time)	Friday, 5 February 2021
Last day for lodging forms of proxy (by 10:00 SA time)	Monday, 8 February 2021
Annual general meeting (10:00 SA time (UTC +2))	Wednesday, 10 February 2021

Accordingly, the date on which a person must be registered as a shareholder in the register of the Company to be entitled to attend and vote at the AGM will be Friday, 5 February 2021.

RESOLUTIONS FOR CONSIDERATION AND ADOPTION

Ordinary business

1. ORDINARY RESOLUTION NUMBER 1

Adoption of the annual financial statements

To receive the audited annual financial statements for the year ended 30 September 2020, including the management report and the report of the independent auditor, such annual financial statements having been approved by the Board on 27 November 2020.

Additional information in respect of ordinary resolution number 1

The condensed consolidated financial statements for the year ended 30 September 2020 are included in the Integrated Annual Report of which this notice of AGM forms part. The complete audited annual financial statements, together with the relevant reports for the year ended 30 September 2020, are available on the Company's website, www.tharisa.com. Copies of the audited financial statements, management report and report of the auditor are also available for collection at the registered office of the Company, and available for dispatch at the request of shareholders, free of charge and either in printed copy or in electronic (email) format, by contacting the Company Secretary at secretarial@tharisa.com.

This resolution is non-binding, therefore no minimum voting threshold is required for ordinary resolution number 1.

2. ORDINARY RESOLUTION NUMBER 2

Reappointment of external auditor

"RESOLVED THAT Ernst & Young Cyprus Limited, with Stavros Pantzaris being the designated registered auditor, be reappointed as the independent external auditor of the Company and of the Group for the financial year ending 30 September 2021, to hold office until conclusion of the next AGM of the Company, and that the remuneration for the financial year ending 30 September 2021 be determined by the Audit Committee."

Additional information in respect of ordinary resolution number 2

In accordance with clause 195 of the Company's Articles of Association and sections 153 to 155 of the Companies Law, Ernst & Young Cyprus Limited is proposed to be reappointed as the external auditor of the Company, until the conclusion of the next AGM. The Audit Committee conducted an assessment of the performance and the independence of the external auditor and compliance with the JSE Listings Requirements and recommends the reappointment as independent auditor of the Company and the Group.

The percentage of voting rights required for ordinary resolution number 2 to be adopted is more than 50% in favour, of the voting rights exercised on this resolution by all shareholders present or represented by proxy and entitled to vote at the AGM.

3. ORDINARY RESOLUTION NUMBER 3 (COMPRISING ORDINARY RESOLUTIONS NUMBERS 3.1 AND 3.2)

Re-election of directors retiring by rotation

3.1 "RESOLVED THAT Roger Davey, who retires in accordance with the Company's Articles of Association and who, being eligible, offers himself for re-election, be re-elected as a director of the Company."

3.2 "RESOLVED THAT Zhong Liang Hong, who retires in accordance with the Company's Articles of Association and who, being eligible, offers himself for re-election, be re-elected as a director of the Company."

Election of director appointed by the Board

3.3 "RESOLVED THAT Vaneese Wing Ye Chu, who retires in accordance with the Company's Articles of Association and who, being eligible, offers himself for election, be elected as a director of the Company."

Additional information in respect of ordinary resolutions numbers 3.1, 3.2 and 3.3

In terms of clause 110 of the Company's Articles of Association, one-third of the non-executive directors of the Company for the time being are required to retire from office at each AGM. The directors of the Company to retire in every year shall be those who have been longest serving since their last election. A retiring director shall be eligible for re-election. Roger Davey and Zhong Liang Hong are retiring by rotation.

In terms of clause 156 of the Company's Articles of Association, the Board has the power to appoint any person as an additional director to the Board, provided that a director so appointed shall hold office only until the next AGM of the Company and shall then be eligible for election. Vaneese Wing Ye Chu was appointed by the Board on 17 September 2020, and is accordingly required to retire. Being eligible, she is offering herself for election.

A brief curriculum vitae in respect of the directors referred to in ordinary resolutions numbers 3.1, 3.2 and 3.3 above appears on pages 56 and 57 of the Integrated Annual Report of which this notice of AGM forms part and the Board recommends to shareholders the re-election of the retiring directors as set out in ordinary resolutions numbers 3.1, 3.2 and 3.3.

NOTICE OF VIRTUAL ANNUAL GENERAL MEETING CONTINUED

The percentage of voting rights required for ordinary resolutions numbers 3.1, 3.2 and 3.3 to be adopted is more than 50% in favour of the voting rights exercised on such resolution by all shareholders present or represented by proxy and entitled to vote at the AGM.

SPECIAL BUSINESS

4. ORDINARY RESOLUTION NUMBER 4

General authority to directors to allot and issue ordinary shares

“RESOLVED THAT the authorised but unissued shares in the capital of the Company, limited to 27 500 000 (twenty seven million five hundred thousand) ordinary shares, being 10% of the number of listed equity securities in issue at the date of this notice, being 275 000 000 (two hundred and seventy-five million) ordinary shares (for which purposes any shares approved to be allotted and issued by the Company in terms of the Share Award Plan for the benefit of employees shall be excluded), be and are hereby placed under the control and authority of the directors and that they be and are hereby authorised to allot, issue and grant options over and otherwise dispose of such shares to such persons on such terms and conditions and at such times as they may from time to time and at their discretion deem fit. This is subject to the provisions of the Companies Law, as may be amended from time to time, the Company’s Articles of Association, the JSE Listings Requirements and the LSE Listing Rules and Disclosure and Transparency Rules which may apply to the Company. Such authority shall be valid until the conclusion of the next AGM of the Company.”

Additional information in respect of ordinary resolution number 4

The Board may only allot and issue shares or grant rights over shares if authorised to do so by the shareholders. This resolution seeks authority for the Board to allot, issue and deal in shares up to a maximum of 10% of the Company’s issued share capital.

The percentage of votes required for ordinary resolution number 4 to be adopted is more than 50% in favour of the voting rights exercised on such resolution by all shareholders present or represented by proxy and entitled to vote at the AGM.

5. ORDINARY RESOLUTION NUMBER 5

Dis-application of pre-emption rights

“RESOLVED THAT, subject to the JSE Listings Requirements, the Board be and is hereby authorised to dis-apply the pre-emption rights, with respect to the authority conferred on the Board to issue and allot ordinary shares, up to a maximum of 10% of the Company’s issued share capital. This authority will expire at the conclusion of the Company’s next AGM.”

Additional information in respect of ordinary resolution number 5

In terms of section 60B of the Companies Law, if the Board wishes to allot any unissued shares, grant rights over shares or sell treasury shares for cash (other than pursuant to an employee share scheme) it must first offer them to existing shareholders in proportion to their holdings. There may be circumstances, however, where the Board requires the flexibility to finance business opportunities through the issue or sale of shares or related securities without a pre-emptive offer to existing shareholders. This can only be done under the Companies Law if the shareholders have first waived their pre-emption rights. This resolution seeks authority for the Board to dis-apply pre-emption rights for shares up to a maximum of 10% of the Company’s issued share capital. If granted, this authority will expire at the conclusion of the Company’s next AGM.

The percentage of votes required for ordinary resolution number 5 to be adopted is more than 50%, in favour, of the voting rights exercised on such resolution by all shareholders present or represented by proxy and entitled to vote at the AGM.

6. ORDINARY RESOLUTION NUMBER 6

General authority to issue shares for cash

“RESOLVED THAT, subject to ordinary resolutions numbers 4 and 5 being passed, the Board be authorised, by way of a general authority, to allot and issue shares (and/or any options or convertible securities) for cash to such persons on such terms and conditions as the Board may from time to time in its discretion deem fit, subject to the provisions of the Company’s Articles of Association, the Companies Law, as may be amended from time to time, the JSE Listings Requirements and the LSE Listing Rules and Disclosure and Transparency Rules which may apply to the Company, and subject to the following limitations, namely that:

- i. The equity securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue.
- ii. Any such issue will only be made to “public shareholders” as defined in the JSE Listings Requirements and not to related parties, unless the JSE otherwise agrees.
- iii. In respect of securities which are the subject of the general issue of shares for cash, such issue may not exceed 27 500 000 (twenty seven million five hundred thousand) ordinary shares, representing 10% of the number of listed equity securities in issue as at the date of this notice, being 275 000 000 (two hundred and seventy-five million) ordinary shares, provided that: any equity securities issued under this authority during the period must be deducted from the number above in the event of a subdivision or consolidation of issued equity securities during the period contemplated above, the existing authority must be adjusted accordingly to represent the same allocation ratio the calculation of the listed equity securities is a factual assessment of the listed equity securities as at the date of the notice of AGM, excluding treasury shares

- iv. This authority shall be valid until the Company's next AGM.
- v. A SENS announcement giving full details of the issue will be published at the time of any issue representing, on a cumulative basis within the period of this authority, 5% or more of the number of ordinary shares in issue prior to the issue concerned.
- vi. The maximum discount permitted at which equity securities may be issued is 10% of the weighted average traded price on the JSE of those shares measured over the 30 business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the securities. The JSE should be consulted for a ruling if the Company's securities have not traded in such 30 business day period."

Additional information in respect of ordinary resolution number 6

In accordance with the Company's Articles of Association, and the JSE Listings Requirements, the shareholders of the Company have to approve a general issue of shares for cash. This authority will be subject to the Company's Articles of Association, the Companies Law and the JSE Listings Requirements. The Board considers it advantageous to renew this authority to enable the Company to take advantage of any business opportunity that may arise in the future.

Any issue of shares for cash will be subject to approval by 90% of the Board members.

This ordinary resolution number 6 is required, under the JSE Listings Requirements, to be passed by achieving a 75% majority of the voting rights exercised on this resolution by all shareholders present or represented by proxy and entitled to vote at the AGM.

7. ORDINARY RESOLUTION NUMBER 7 (COMPRISING ORDINARY RESOLUTIONS NUMBERS 7.1 AND 7.2)

7.1 Approval of remuneration policy

"RESOLVED THAT the Group remuneration policy, as described in the remuneration report on page 78 of the Integrated Annual Report of which this notice of AGM forms part, be approved by way of a non-binding advisory vote, as recommended in King IV."

Additional information in respect of ordinary resolution number 7.1

In terms of King IV recommendations and the JSE Listings Requirements, the Company's remuneration policy should be tabled for a non-binding advisory vote at every AGM.

The purpose of the non-binding advisory vote is to enable shareholders of the Company to express their views on the Group's remuneration policies. Accordingly, the shareholders of the Company are requested to endorse the Company's remuneration policy as recommended by King IV.

This resolution is non-binding, therefore no minimum voting threshold is required for ordinary resolution number 7.1.

7.2 Approval of remuneration implementation report

"RESOLVED THAT the Group remuneration implementation report, as described in the remuneration report on page 78 of the Integrated Annual Report of which this notice of AGM forms part, be approved by way of a non-binding advisory vote."

Additional information in respect of ordinary resolution number 7.2

In terms of King IV recommendations and the JSE Listings Requirements, the Company's remuneration implementation report should be tabled for a non-binding advisory vote at every AGM.

The purpose of the non-binding advisory vote is to enable shareholders of the Company to express their views on the Group's implementation of the remuneration policy. Accordingly, the shareholders of the Company are requested to endorse the Company's remuneration implementation report.

This resolution is non-binding, therefore no minimum voting threshold is required for ordinary resolution number 7.2.

8. ORDINARY RESOLUTION NUMBER 8 – APPROVAL AND ADOPTION OF THE THARISA LONG-TERM INCENTIVE PLAN 2021 (THE 'LTIP')

"RESOLVED THAT, subject to such amendments as may be required by the applicable regulators, the rules embodied in the LTIP, which LTIP has been tabled at this AGM and initialled by the chairperson of the AGM for purposes of identification, be and are hereby approved and adopted."

Additional information in respect of ordinary resolution 8

The LTIP will be available for inspection on the Company's website at www.tharisa.com up to and including the date of the AGM. The salient features of the LTIP are set out in the remuneration report on pages 82 and 83. The LTIP has been reviewed and approved by the JSE, the Remuneration Committee, and the Board, excluding the executive directors, being Loucas Pouroulis, Phoevos Pouroulis and Michael Jones, who have a personal financial interest in respect of the approval and adoption of the LTIP. The Board is of the opinion that the adoption of such LTIP will be beneficial to Tharisa and its shareholders and accordingly recommends that shareholders vote in favour of this ordinary resolution number 8.

NOTICE OF VIRTUAL ANNUAL GENERAL MEETING CONTINUED

The abovementioned executive directors, participants in the LTIP and the existing Tharisa Share Award Plan, which will be replaced by the LTIP, once approved and adopted, are precluded from exercising any voting rights attached to the shares held by them.

This ordinary resolution number 8 is required, under the JSE Listings Requirements, to be passed by achieving a 75% majority of the voting rights exercised on this resolution by all shareholders present or represented by proxy and entitled to vote at the AGM.

9. SPECIAL RESOLUTION NUMBER 1

General authority to repurchase shares

“RESOLVED THAT the Company, and any of its subsidiaries, be authorised, by way of a general authority, in terms of the provisions of the JSE Listings Requirements, the Companies Law and as permitted by the Company’s Articles of Association, to acquire, as a general repurchase, the issued ordinary shares of the Company, upon such terms and conditions and in such manner as the Board may from time to time determine, but subject to the applicable requirements of the Company’s Articles of Association, the provisions of the Companies Law, the JSE Listings Requirements and the LSE Listing Rules and Disclosure and Transparency Rules, where applicable, and provided that:

- i. The maximum number of ordinary shares to be acquired shall not exceed 10% of the Company’s ordinary shares in issue at the date on which this special resolution number 1 is passed.
- ii. The repurchase of shares will be effected through the order books operated by the JSE and LSE trading system and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited).
- iii. The Company has been given authority to repurchase its shares by its Articles of Association.
- iv. This general authority shall only be valid until the Company’s next AGM, provided that it shall not extend beyond 12 months from the date of passing of this special resolution number 1.
- v. In determining the price at which the Company’s ordinary shares are acquired by the Company in terms of this general authority, the maximum premium and/or discount at which such ordinary shares may be acquired shall not exceed the lesser of:
 - 5% of the weighted average of the market price at which such ordinary shares are traded on the JSE, as determined over the five business days immediately preceding the date of the repurchase of such ordinary shares by the Company
 - the price quoted for the last independent trade of, or the highest current independent bid for any number of shares on the JSE where the purchase is carried out.
- vi. At any point in time, the Company may only appoint one agent to effect any repurchases on the Company’s behalf.
- vii. A resolution has been passed by the Board confirming that the Board has authorised the repurchase and that the Company satisfied the net assets test contemplated under section 169A of the Companies Law.
- viii. The Company may not repurchase ordinary shares during a prohibited period, as defined in the JSE Listings Requirements or any applicable EU Market Abuse Regulations, unless the Company has a repurchase programme in place where the dates and quantities of the ordinary shares to be traded during the relevant period are fixed and not subject to any variation and full details of the programme have been disclosed to the JSE in writing prior to the commencement of the prohibited period.
- ix. A SENS announcement will be published giving such details as may be required in terms of the JSE Listings Requirements as soon as the Company has cumulatively repurchased 3% of the number of shares in issue at the date of the passing of this special resolution number 1 and for each 3% in aggregate of the initial number of shares acquired thereafter, and in the media when required in terms of the Companies Law.
- x. The Board undertakes that it will not implement the proposed authority to repurchase shares, unless the directors are of the opinion that, for a period of 12 months after the date of the repurchase:
 - the Company and the Group will be able, in the ordinary course of business, to pay its debts
 - the assets of the Company and the Group, fairly valued in accordance with IFRS, will be in excess of the liabilities of the Company and the Group
 - the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes and
 - the working capital of the Company and the Group will be adequate for ordinary business purposes.”

Additional information in respect of special resolution number 1

Under section 57A of the Companies Law, the Board must obtain authorisation by special resolution from the shareholders before they can effect the purchase by the Company of any of its own shares. In certain circumstances it may be advantageous for the Company to purchase its own shares and this resolution seeks authority to do so. The Board will exercise this power only in accordance with the requirements of the Companies Law and the JSE Listings Requirements, and when, in view of market conditions prevailing at the time, it believes that the effect of such purchases will be to increase earnings per share and is in the best interests of the shareholders generally. Save to the extent purchased pursuant to the Companies Law, any shares purchased in this way will be cancelled and the number of shares in issue will be reduced accordingly.

The Company may hold in treasury any of its own shares that it purchases pursuant to the Companies Law and the authority conferred by this resolution. Repurchased shares may be held in treasury for a period not exceeding a maximum of two calendar

years from the repurchase date. This gives the Company the ability to reissue treasury shares quickly and cost-effectively and provides the Company with greater flexibility in the management of its capital base. It also gives the Company the opportunity to satisfy awards under the Share Award Plan using treasury shares. Once held in treasury, the Company is not entitled to exercise any rights, including the right to attend and vote at meetings, in respect of the shares and no dividend or other distribution of the Company's assets may be made to the Company in respect of treasury shares.

In accordance with the Companies Law, this resolution specifies the maximum number of shares that may be acquired and the maximum and minimum prices at which shares may be bought. If granted, this authority will expire at the conclusion of the Company's next AGM, provided that it shall not extend beyond 12 months from the date of passing of this special resolution number 1.

Please refer to the additional disclosure of information contained in this notice of AGM, which disclosure is required in terms of the JSE Listings Requirements.

The percentage of the voting rights required for special resolution number 1 to be adopted is 75% in favour of the voting rights exercised on this resolution by all shareholders present or represented by proxy and entitled to vote at the AGM.

Additional disclosure requirements in terms of the JSE Listings Requirements

In compliance with the JSE Listings Requirements, the information listed below has been included in the Integrated Annual Report of which this notice of AGM forms part:

- Major shareholders – refer to page 136 of the Integrated Annual Report
- Share capital of Tharisa – refer to page 121 of the Integrated Annual Report.

Material changes

Other than the facts and developments reported on in the Annual Report, there have been no material changes in the affairs or the financial position of the Company and its subsidiaries since the date of signature of the audit report and the date of this notice of AGM.

Directors' responsibility statement

The directors, whose names appear on pages 56 and 57 of this Integrated Annual Report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution number 1 and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, that all reasonable enquiries to ascertain such facts have been made and that the proposed resolution contains all such information required by law and the JSE Listings Requirements.

10. ORDINARY RESOLUTION NUMBER 9

Final dividend

"RESOLVED THAT a final cash dividend in the amount of US 3.50 cents per ordinary share is declared for the financial year ending 30 September 2020, such dividend being payable to shareholders registered on the register of members of the Company as of close of business on the record date, being Friday, 26 February 2021."

Additional information in respect of ordinary resolution number 9

The Board has proposed a final cash dividend of US 3.50 cents per ordinary shares for the financial year ended 30 September 2020.

If approved by shareholders, the recommended final dividend will be paid on Wednesday, 10 March 2021. Shareholders on the principal Cyprus register will be paid in US dollar, shareholders whose shares are held through Central Securities Depository Participants ('CSDPs') and brokers and are traded on the JSE will be paid in South African rand ('ZAR') and holders of depository interests traded on the LSE will be paid in sterling ('GBP'). The currency equivalents of the dividend will be based on the weighted average of the South African Reserve Bank's daily rate at approximately 10:30 (UTC +2) on 27 November 2020, being the currency conversion date.

Tax implications of the dividend

Shareholders are advised that the dividend declared will be paid out of income reserves and may therefore be subject to dividend withholding tax depending on the tax residency of the shareholder.

South African tax residents

South African shareholders are advised that the dividend constitutes a foreign dividend. For individual South African tax resident shareholders, dividend withholding tax of 20% will be applied to the gross dividend of US 3.50 cents per share. Shareholders who are South African tax resident companies are exempt from dividend tax and will receive the dividend of US 3.50 cents per share. This does not constitute legal or tax advice and is based on taxation law and practice in South Africa. Shareholders should consult their brokers, financial and/or tax advisers with regard to how they will be impacted by the payment of the dividend.

NOTICE OF VIRTUAL ANNUAL GENERAL MEETING CONTINUED

UK tax residents

UK tax residents are advised that the dividend constitutes a foreign dividend and that they should consult their brokers, financial and/or tax advisers with regard to how they will be impacted by the payment of the dividend.

Cyprus tax residents

Individual Cyprus tax residents are advised that the dividend constitutes a local dividend and that they should consult their brokers, financial and/or tax advisers with regard to how they will be impacted by the payment of the dividend.

Shareholders and depositary interest holders should note that information provided should not be regarded as tax advice.

The timetable for the dividend declaration is as follows:

Declaration and currency conversion date	Friday, 27 November 2020
Currency conversion rates announced	Thursday, 11 February 2021
Last day to trade cum dividend rights on the JSE	Tuesday, 23 February 2021
Last day to trade cum dividend rights on the LSE	Wednesday, 24 February 2021
Shares will trade ex dividend rights on the JSE	Wednesday, 24 February 2021
Shares will trade ex dividend rights on the LSE	Thursday, 25 February 2021
Record date for payment on both JSE and LSE	Friday, 26 February 2021
Dividend payment date	Wednesday, 10 March 2021

No dematerialisation or rematerialisation of shares within Strate will be permitted between Wednesday, 24 February 2020 and Friday, 26 February 2021, both days inclusive. No transfers between registers will be permitted between Thursday, 11 February 2021 and Friday, 26 February 2021, both days inclusive.

The percentage of the voting rights required for ordinary resolution number 9 to be adopted is 50% in favour of the voting rights exercised on this resolution by all shareholders present or represented by proxy and entitled to vote at the AGM. By virtue of Article 176 of the Articles of Association of the Company, shareholders are informed that they may vote to decrease the dividend declaration proposed by the Board but shall not be entitled to increase it.

11. ORDINARY RESOLUTION NUMBER 10

Directors' authority to implement ordinary and special resolutions

"RESOLVED THAT each and every director of the Company and/or the Company Secretary be and are hereby authorised to do all such things and sign all such documents as may be necessary for or incidental to the ordinary and special resolutions passed at the AGM."

Additional information in respect of ordinary resolution number 10

The percentage of voting rights required for ordinary resolution number 10 to be adopted is more than 50% in favour of the voting rights exercised on this resolution by all shareholders present or represented by proxy and entitled to vote at the AGM.

PROXIES

An ordinary shareholder entitled to attend and vote at the virtual AGM is entitled to appoint a proxy or proxies to attend and act in his/her stead. A proxy need not be a member of the Company. For the convenience of registered members of the Company, a form of proxy is attached hereto.

In terms of section 128C of the Companies Law, shareholders and their proxies shall have the right to ask questions on the items to be discussed and resolutions proposed to be passed at the AGM. The Company shall endeavour to answer such questions, provided that they are relevant to the matters at hand, do not disrupt or delay proceedings, have not already been previously answered or contained in information readily available to shareholders elsewhere and the answers do not constitute sensitive information that may harm the Company or its business operations if disclosed.

Voting by shareholders whose shares are registered on the Cyprus principal register and the South African branch register ('JSE')

The attached form of proxy is only to be completed by those ordinary shareholders who:

- hold ordinary shares in certificated form or
- are recorded on the sub-register in 'own name' dematerialised form.

Ordinary shareholders who have dematerialised their ordinary shares through a CSDP or broker other than with "own name" registration and who wish to attend the virtual AGM, must instruct their CSDP or broker to provide them with the relevant letter of representation to attend the AGM by electronic means and they must provide the CSDP or broker with their voting instructions in terms of their custody agreement entered into between them and the CSDP or broker. Please also refer to "Electronic Participation" below.

Unless shareholders advise their CSDP or broker, in terms of their agreement, by the cut-off time stipulated therein, that they wish to attend the AGM or send a proxy to represent them, their CSDP or broker will assume that they do not wish to attend the AGM or send a proxy.

Shareholders who are unsure of their status or the action they should take, are advised to consult their CSDP, broker or financial adviser.

The attached form of proxy must be executed in terms of the Company's Articles of Association and in accordance with the relevant instructions set out on the form and for administrative reasons, it is requested that forms of proxy be lodged with the Company's transfer secretaries not less than 48 hours before the time set down for the AGM. If required, additional forms of proxy may be obtained from the transfer secretaries or through the Company's website.

Voting by depositary interest holders ('LSE')

Holders of depositary interests will be sent a form of instruction separately to this Notice of AGM by the depositary, Computershare Investor Services PLC. On receipt, holders of depositary interests should complete the form of instruction in accordance with the instructions printed thereon to direct Computershare Company Nominees Limited as the custodian of their shares how to exercise their votes or (by following the instructions on the form of instruction) indicate that they intend to attend the AGM in person or by proxy. If a holder of depositary interests indicates, in this manner, that they intend to attend the AGM, Computershare Company Nominees Limited shall issue a letter of representation to the holder of depositary interests giving them authorisation to attend the AGM. To be valid, the form of instruction must be completed in accordance with the instructions set out in the form and returned as soon as possible to the offices of the depositary at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, England so as to be received no later than 08:00 UTC on Friday, 5 February 2021. Please also refer to "Electronic Participation" below.

Depositary interest holders who are CREST members and who wish to issue an instruction through the CREST electronic voting appointment service may do so by using the procedures described in the CREST manual (available from www.euroclear.com/CREST). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting services provider(s), who will be able to take the appropriate action on their behalf.

In order for instructions made using the CREST service to be valid, the appropriate CREST message (a CREST voting instruction) must be properly authenticated in accordance with the specifications of Euroclear UK & Ireland Limited ('EUI') and must contain the information required for such instructions, as described in the CREST manual (available via www.euroclear.com/CREST).

The message, regardless of whether it relates to the voting instruction or to an amendment to the instruction given to the depositary must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) no later than 08:00 UTC on Friday, 5 February 2021. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST voting instruction by the CREST applications host) from which the issuer's agent is able to retrieve the CREST voting instruction by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the transmission of CREST voting instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that the CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a CREST voting instruction is transmitted by means of the CREST service by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST voting instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

VOTING

In accordance with the Company's Articles of Association, all resolutions put to a vote at the AGM shall be decided on a poll. Every shareholder of the Company shall have one vote for every share held in the Company by such shareholder. If you are in any doubt as to what action you should take in respect of the resolutions provided for in this notice, please consult your CSDP, broker, banker, attorney, accountant or other professional adviser. An abstention from voting is not a vote and will accordingly not be counted in the calculation of votes for and against resolutions.

NOTICE OF VIRTUAL ANNUAL GENERAL MEETING CONTINUED

LODGEMENT OF FORMS OF PROXY AND LETTERS OF REPRESENTATION

Forms of proxy and letters of representation should be delivered or posted to the Company's transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa (PO Box 61051, Marshalltown, 2107, South Africa), or can be emailed to Computershare at proxy@computershare.co.za or to the Company at ir@tharisa.com, so as to be received by no later than 10:00 (SA time) on Monday, 8 February 2021, in accordance with clause 99 of the Company's Articles of Association. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend the virtual AGM, provided that he has obtained a letter of representation to attend the AGM from his CSDP and taken the necessary steps outlined below.

ELECTRONIC PARTICIPATION

The AGM will be held electronically and Tharisa has made provision for shareholders (or their proxies) to participate in the AGM by joining a Microsoft Teams virtual meeting room.

Shareholders or their duly appointed proxy(ies) ('Participant/s') who wish to participate in the AGM via electronic communication, must apply to the Company's transfer secretaries at proxy@computershare.co.za by no later than 10:00 on Friday, 5 February 2021. **Participants are advised that they will not be able to vote during the meeting.** Should they wish to have their vote counted at the meeting, Participants must act in accordance with the general proxy and form of instruction submission instructions outlined on pages 147 and 148 of this notice.

Shareholders must take note of the following:

- A limited number of telecommunication lines will be available.
- Each Participant will be contacted between 08:00 and 10:00 on Wednesday, 10 February 2020 via email and/or SMS. Participants will be provided with a link to the virtual meeting room and a PIN code to allow them to dial in.
- The cut-off time for dialling in on the day of the meeting will be at 10:10 on Wednesday, 10 February 2020, and no late dial-in will be possible.

The following information is required:

- Full name of the shareholder
- Identity number, passport number or other form of identification of the shareholder
- Email address
- Mobile phone number
- Name of CSDP/broker (if the shares are in dematerialised form)
- Contact person at the CSDP/broker
- Contact number at the CSDP/broker
- Number of shares held
- Letter of representation issued by

Terms and conditions for participation in the virtual AGM via electronic communication

1. The cost of dialling in using a telecommunication line to participate in the AGM is for the expense of the Participant and will be billed separately by the Participant's own telephone service provider.
2. The Participant acknowledges that the telecommunication lines are provided by a third party and indemnifies Tharisa against any loss, damage, penalty or claim arising in any way from the use or possession of the telecommunication lines whether or not the problem is caused by any act or omission on the part of the shareholder/ Participant or anyone else.
3. Shareholders who wish to participate in the meeting by dialling in must note that they will not be able to vote during the meeting. Such shareholders, should they wish to have their votes counted at the meeting, must act in accordance with the general instructions contained in this notice of AGM by:
 - (a) completing the form of proxy; or
 - (b) contacting their CSDP/broker with their voting instructions.
4. The application will only be successful if the emailed application contains the required information and the terms and conditions have been complied with.

By order of the Board

Sanet Findlay
Company Secretary

11 December 2020

FORM OF PROXY

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: 213800WWW4YWMVVZIJM90
 ('Tharisa' or the 'Company')

This form of proxy relates to the virtual annual general meeting ('AGM') of shareholders of the Company to be held via remote electronic platform Microsoft Teams on Wednesday, 10 February 2021 at 10:00 SA time (UTC +2) and should be completed only by registered certificated shareholders and shareholders who have dematerialised their shares with "own name" registration.

All other dematerialised shareholders holding shares other than with 'own name' registration who wish to attend the virtual AGM must inform their CSDP or broker of their intention to attend the AGM and request their CSDP or broker to issue them with the relevant letter of representation. In order to have their votes counted, shareholders must provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker whether or not they choose to attend the virtual AGM. These shareholders must not complete this form of proxy. Please also refer to notes 14 and 15 below.

This form of proxy should be read with the notice of AGM. Please print clearly and refer to the notes at the end of this form for an explanation on the use of this form of proxy and the rights of the shareholder and the proxy.

I/We.....

of address.....

being the holder of..... Tharisa shares, hereby appoint (see notes 1 and 3)

1..... or failing him/her

2..... or failing him/her

the Chairman of the AGM, as my/our proxy to act for me/us and on my/our behalf at the AGM which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof; and to vote for and/or against the resolutions and/or abstain from voting in respect of the Tharisa shares registered in my/our name(s), in accordance with the following instructions (see note 3):

	For	Against	Abstain
Ordinary business			
Ordinary resolution number 1 is non-binding and does not require a minimum threshold			
Ordinary resolutions numbers 2 and 3 require support of a simple majority (more than 50%) of the votes exercised in respect of each resolution adopted			
Ordinary resolution number 1: Adoption of annual financial statements			
Ordinary resolution number 2: Reappointment of external auditor			
Ordinary resolution number 3.1: Re-election of Roger Davey as a director			
Ordinary resolution number 3.2: Re-election of Zhong Liang Hong as a director			
Ordinary resolution number 3.3: Election of Vaneese Wing Ye Chu as director			
Special business			
Ordinary resolutions numbers 4 and 5 require support of a simple majority (more than 50%) of the votes exercised in respect of each resolution to be adopted			
Ordinary resolution number 6 requires a 75% majority of the votes exercised to be adopted			
Ordinary resolutions 7.1 and 7.2 are non-binding and do not require a minimum threshold			
Ordinary resolution 8 requires support of at least 75% of the votes exercised to be adopted			
Special resolution number 1 requires support of at least 75% of the votes exercised to be adopted			
Ordinary resolutions numbers 9 and 10 require support of a simple majority (more than 50%) of the votes exercised in respect of each resolution to be adopted			
Ordinary resolution number 4: Control of authorised but unissued shares			
Ordinary resolution number 5: Dis-application of pre-emptive rights			
Ordinary resolution number 6: General authority to issue shares for cash			
Ordinary resolution number 7.1: Approval, through a non-binding advisory vote, of the Group remuneration policy			
Ordinary resolution number 7.2: Approval, through a non-binding advisory vote, of the Group remuneration implementation report			
Ordinary resolution number 8: Approval and adoption of the 2021 LTIP			
Special resolution number 1: General authority to repurchase shares			
Ordinary resolution number 9: Final dividend			
Ordinary resolution number 10: Directors' authority to implement ordinary and special resolutions			

Please indicate with an "X" in the space provided above how you wish your votes to be cast.

Signed at on 2020/2021

Signature.....

Assisted by (if applicable) (see note 7).....

NOTES TO THE FORM OF PROXY

CONTINUED

1. A registered shareholder may appoint an individual as a proxy, including an individual who is not a shareholder of the Company, to participate in, speak and vote at a shareholders' meeting on his/her behalf. Should this space be left blank, the proxy will be exercised by the Chairman of the meeting.
2. The person whose name appears first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.
3. A proxy may delegate his/her authority to act on your behalf to another person, subject to any restriction set out in this form of proxy.
4. A shareholder's instructions to the proxy must be indicated by the insertion of an "X", or the number of votes exercisable by that shareholder, in the appropriate box provided. The proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder at the AGM, but only as directed on this form of proxy.
5. If there is no clear indication as to the voting instructions to the proxy, the form of proxy will be deemed to authorise the proxy to vote or to abstain from voting at the AGM as he/she deems fit in respect of all the shareholder's votes exercisable.
6. For administrative reasons, it is requested that the completed form of proxy be lodged with the transfer secretaries of the Company, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa (PO Box 61051, Marshalltown, 2107, South Africa) or emailed to proxy@computershare.co.za, so as to be received by them by no later than 10:00 SA time on Monday, 8 February 2021, being no later than 48 hours before the AGM to be held at 10:00 SA time on Wednesday, 10 February 2021. Forms of instruction must be lodged with Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, United Kingdom, so as to be received by them by no later than 08:00 on Friday, 8 February 2021. The Chairman of the AGM may, in his discretion, accept proxies that have been delivered after the expiry of the aforementioned period up to and until the time of commencement of the AGM, at his sole discretion.
7. This form of proxy must be dated and signed by the shareholder appointing the proxy. The completion of blank spaces does not have to be initialled, but any alteration or correction made to this form of proxy must be initialled by the signatory/ies. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Company.
8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company or waived by the Chairman of the AGM. CSDPs or brokers registered in the Company's sub-register voting on instructions from beneficial owners of shares registered in the Company's sub-register, are requested to identify the beneficial owner in the sub-register on whose behalf they are voting and return a copy of the instruction from such owner to the Company's transfer secretaries, together with this form of proxy.
9. The Chairman of the meeting shall be entitled to decline or accept the authority of a person signing the form under a power of attorney or on behalf of a company, unless the power of attorney is deposited at the Company's transfer secretaries not later than 48 hours before the meeting.
10. The appointment of the proxy or proxies will be suspended at any time to the extent that the shareholder chooses to act directly and in person in the exercise of any of his/her rights as a shareholder at the AGM.
11. The appointment of the proxy is revocable unless expressly stated otherwise in this form of proxy. The proxy appointment may be revoked by cancelling it in writing, or making a later inconsistent appointment of a proxy and delivering a copy of the revocation instrument to the proxy and to the Company's transfer secretaries. Please note the revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder, as of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered to the Company's transfer secretaries and the proxy, as aforesaid.
12. The appointment of the proxy remains valid only until the end of the AGM or any adjournment or postponement thereof, unless it is revoked by the shareholder before then on the basis set out above.
13. Holders of depositary interests on the LSE must not complete this form of proxy. Holders of depositary interests will be sent a separate form of instruction by the depositary, Computershare Investor Services PLC. On receipt, holders of depositary interests should complete the form of instruction in accordance with the instructions printed thereon to direct Computershare Company Nominees Limited as the custodian of their shares how to exercise their votes.
14. The AGM will be held electronically and Tharisa has made provision for shareholders (or their proxies) to participate in the AGM by joining a Microsoft Teams virtual meeting room.
15. Shareholders or their duly appointed proxy(ies) are advised that they will not be able to vote during the meeting. Should they wish to have their vote counted at the meeting, they must provide their CSDP or broker with their voting instructions or lodge their proxies or letters of instruction with Computershare, whichever is applicable.

SUMMARY OF THE PRINCIPAL TERMS OF THE THARISA PLC LONG-TERM INCENTIVE PLAN 2021 (THE 'LTIP')

1. OVERVIEW

It is proposed that the Company will adopt the LTIP and seek approval for the grant of Performance Share Awards and Restricted Stock Awards to employees of the Company's group. For completeness, a full summary of the principal terms of the LTIP following the proposed amendments is set out below.

2. ADMINISTRATION

The LTIP will be administered by the remuneration committee of the Board (the 'Committee'). In administering the Plan, the Committee shall act fairly and reasonably in any exercise of its discretion.

3. ELIGIBILITY

Employees (including executive directors) of the Company or of any of its subsidiaries will be eligible to participate in the LTIP.

4. NATURE OF THE LTIP AND FORM OF AWARDS

Overview

The LTIP is an "umbrella" arrangement which, to give the Committee maximum flexibility, allows various types of award to be granted.

Annual grants – long-term incentives

It is intended that the LTIP will be used annually to grant "Performance Share Awards" to the executive directors of the Company and other members of the executive committee and certain member of the senior management team.

Performance Share Awards must be granted subject to performance targets.

Restricted Stock Awards may be granted subject to a performance target.

Form of awards

Awards may be granted in the form of:

- contingent rights to receive Shares; or
- cash-based awards.

5. INDIVIDUAL LIMIT

The LTIP contains an individual limit which provides that the number of shares that may be held by any one participant pursuant to awards granted under the LTIP cannot exceed 2 750 000.

6. SOURCE OF SHARES AND DILUTION LIMITS

Awards may be satisfied by newly issued shares, shares purchased on the market by an employee benefit trust or by the transfer of shares held in treasury.

The number of new shares issued or remaining capable of being issued under the LTIP will not exceed 13 750 000.

If awards are to be satisfied by a transfer of existing shares, the limit stated above will not apply. Insofar as it is necessary to ensure compliance with the guidelines issued from time to time by institutional investors, the limit will apply to awards satisfied by the transfer of shares held in treasury.

7. GRANT OF AWARDS

Awards may be granted within 42 days of the date of adoption. Thereafter, awards may be granted

- within 42 days of any dealing day following an announcement of the results of the Company for any period;
- within 28 days of a person first joining the Company's group; or
- on any other day on which the Committee determines that circumstances have arisen which justify the award;
- provided that no awards may be granted at any time when their grant would be prohibited under any relevant dealing restriction, or any other relevant requirement, guideline, regulation or law, and no awards may be made more than 10 years after the date of adoption. No payment will be required for the grant of an award.

8. PERFORMANCE TARGETS

Performance Share Awards

Performance Share Awards will always be subject to performance targets.

It is intended that the first set of Performance Share Awards will be subject to performance targets relating to PGM production (33.3% weighting), Chrome concentrate production (33.3% weighting) and strategic measures (33.4% weighting), each measured over a three-year performance period. In addition, the Committee will need to be satisfied that the level of vesting achieved against these headline metrics is appropriate in the context of EBITDA performance achieved over the period and capex versus the business plan in place at the time of grant of the awards. Furthermore, full vesting will depend upon there being no fatality at the Tharisa Mine during the vesting period. A proportion of the award will be forfeited in the event of a fatality at the mine, with the extent of forfeiture depending upon the specific circumstances.

For Performance Share Awards granted in future, the Committee will review whether the performance targets remain appropriate and challenging taking into account the industry's outlook and shareholders' interests.

Amendments

The Committee may amend a performance target if it considers it appropriate. The Committee may, however, only amend a performance target imposed on an award if it considers that the existing target should be amended to ensure that the revised target will then be a fairer measure of performance and provided that the amended performance target shall not be materially more or less demanding to satisfy than the original performance target was when first set.

9. VESTING OF AWARDS

Performance Share Awards

Performance Share Awards will normally vest on the third anniversary of grant, subject to (i) the award holder remaining in employment with the Company or any of its subsidiaries, and (ii) the satisfaction of the performance targets.

SUMMARY OF THE PRINCIPAL TERMS OF THE THARISA PLC LONG-TERM INCENTIVE PLAN 2021 (THE 'LTIP')

CONTINUED

Post-Vesting Holding Period – Performance Share Awards

Performance Share Awards may be granted subject to a post-vesting holding period of up to two years from the date of vesting. It is currently intended that Performance Share Awards granted to the executive directors of the Company will be subject to a two-year post-vesting holding period which will prevent them from selling any shares received pursuant to their award (other than those sold to raise funds to discharge the tax liabilities arising on vesting) until the fifth anniversary of grant.

Restricted Stock Awards

Restricted Stock Awards may be subject to performance targets and will normally vest on such date as the Committee may determine on or before the grant of the awards.

10. LEAVING EMPLOYMENT

If a participant leaves employment with the Company's group his award will lapse unless he is a "good leaver".

A participant will be a "good leaver" if the reason for leaving is death, ill-health, injury, disability, the transfer of the employing business or company, redundancy, retirement or otherwise at the discretion of the Committee.

If the participant is a good leaver then any Performance Share Awards or Restricted Stock Awards shall vest on the date on which they would have vested had the cessation not occurred subject to any performance targets being satisfied and, unless the Committee determines otherwise, taking into account a time pro-rata reduction to reflect the period of time between grant and cessation relative to the length of the vesting period.

If the participant is a good leaver, the Committee may instead allow any Performance Share Awards or Restricted Stock Awards to vest on leaving, again subject to the performance targets being satisfied and, unless the Committee determines otherwise, a time pro-rata reduction in the number of shares which vest.

11. RECOVERY AND WITHHOLDING

The LTIP contains recovery and withholding provisions which the Committee may operate until two years after vesting if:

- the Company materially misstated its financial results for any reason;
- there has been an error in calculating the level of vesting;
- circumstances of corporate failure have arisen as a result of the acts or omissions of the award holder;
- the Company, any member of its group or a relevant business unit has been the victim of fraud committed by the award holder;
- the award holder has committed an act (or acts) amounting to gross misconduct and/or gross negligence; or
- the Company, or another member of the Group, has suffered serious reputational damage as a result of the conduct of the award holder.

If the Committee decides to operate the recovery and withholding provisions it may then recover such sum as it sees fit by:

- reducing (including to zero) the amount of any future annual bonus; and/or
- reducing (including to zero) the number of unvested shares under any share award; and/or
- requiring the award holder to make a payment to the Company or such member of its group as the committee may direct.

The Committee may also reduce the number of shares under an award granted under the LTIP to give effect to any recovery and/or withholding provision contained in any other incentive plan operated by the Company's group.

12. CORPORATE EVENTS

In the event of a takeover of the Company awards shall vest early.

Awards shall vest subject to the satisfaction of any performance targets and, unless the committee determines otherwise, taking into account a time pro rata reduction to reflect the period of time between grant and takeover relative to the length of the relevant vesting period.

In the event of a demerger, delisting, special dividend or other event which, in the opinion of the committee, would affect the market price of a share to a material extent the Committee may allow awards to vest on the basis described above, subject to the JSE Listings Requirements.

Awards will not normally vest on an internal reorganisation.

13. DIVIDEND EQUIVALENTS

An award may be made on terms that the participant will be entitled to receive additional shares with a value equal to the aggregate dividends in respect of which the record date occurred between the award date and the date of vesting on the vested number of shares. The calculation of the number of shares to be so received may assume the reinvestment of dividends. Alternatively, the committee may decide to deliver the dividend equivalent in cash.

14. ADJUSTMENT OF AWARDS

If there is any variation of the Company's share capital, or in the event of a demerger or payment of a special dividend or similar event which would otherwise materially affect the value of an award, the committee may adjust the number of shares under award provided that the proportion of the Company's share capital under the award remains the same before and after such adjustment.

15. RIGHTS ATTACHING TO SHARES AND TRANSFERABILITY

Shares allotted or transferred under the LTIP will rank alongside shares of the same class then in issue. The Company will apply to the Financial Conduct Authority and/or the Johannesburg Stock Exchange for the listing of any newly issued shares. Awards are not transferable (except on death or, if the Committee so permits, to an *inter vivos* trust) and are not pensionable benefits.

16. AMENDMENT

The Committee may amend the LTIP in any respect. However, the provisions governing eligibility, equity dilution, individual participation limits, the basis for determining the rights of participants to acquire shares or to receive cash and the adjustments that may be made following a variation of capital cannot be altered without the prior approval of shareholders. There is an exception to this rule in respect of minor amendments to benefit the administration of the LTIP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants in the LTIP or for any member of the Company's group. In addition, no alteration may be made if it would adversely affect the rights of a participant without that participant's consent.

This summary does not form part of the rules of the LTIP and should not be taken as affecting the interpretation of the detailed terms and conditions of the rules of the LTIP. The Committee reserves the right up to the date of adoption to make such amendments and additions to the rules of the LTIP as it sees fit provided that such amendments do not conflict in any material respect with this summary.

GLOSSARY

In this Integrated Annual Report, unless otherwise indicated, the words in the first column have the meanings stated opposite them in the second column, words in the singular include the plural and vice versa, words denoting one gender include the other, and words denoting natural persons include juristic persons and associations of persons and vice versa.

4PGE or 3PGE + Au	Platinum Group Metals comprising platinum, palladium, rhodium and gold
5PGE + Au	Platinum Group Metals comprising platinum, palladium, rhodium, ruthenium, iridium and gold
6PGE + Au	5PGE plus osmium
AET	adult education and training
AGM	the Annual General Meeting of the Company
AMCU	the Association of Mineworkers and Construction Union of South Africa
Appreciation right	the award which takes the form of a right to call for shares of an aggregate market value or receive a cash amount equal to the increase (if any) between the date an award is granted and the exercise date of the market value of such number of shares as is specified in the notice of award and has vested
ART	antiretroviral treatment
Arxo Logistics	Arxo Logistics Proprietary Limited (Registration number 2009/006720/07), a private company duly registered and incorporated in South Africa, a wholly owned subsidiary of the Company
Arxo Metals	Arxo Metals Proprietary Limited (Registration number 2011/143342/07), a private company duly registered and incorporated in South Africa, an indirect wholly owned subsidiary of the Company
Arxo Resources	Arxo Resources Limited (Registration number HE221459), a public company duly registered and incorporated in Cyprus, a wholly owned subsidiary of the Company
Award	the award granted under the Share Award Plan in the form of a conditional award or an appreciation right
Au	gold
BAPS	biodiversity action plans
BEE	Black Economic Empowerment, as defined in the MPRDA and “broad-based socioeconomic empowerment” as defined in the Mining Charter
BMI	BMI Drilling Proprietary Limited (Registration number 2010/001913/07)
Board	the Board of Directors of the Company
Bushveld Complex	a major intrusive igneous body in the northern part of South Africa, that has undergone remarkable magmatic differentiation, and the leading source of PGMs and chromium
Calibre	Calibre Clinical Consultants Proprietary Limited (Registration number 2005/005494/07), a private company duly registered and incorporated in South Africa
CBT	computer-based training
certificated shares	Shares which are held and represented by a share certificate or other tangible document of title, which shares have not been dematerialised in terms of the requirements of Strate

GLOSSARY

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Challenger or Challenger Plant	the integrated beneficiation plant adjacent to the Genesis Plant for the production of chemical and foundry grade concentrate owned by Arxo Metals
Charter Scorecard	the Scorecard for the Mining Charter published pursuant to section 100(2)(a) of the MPRDA under Government Gazette No. 26661 of 13 August 2004, as amended by General Notice 1002 of 27 September 2018
chemical grade concentrate	the main ingredient in the production of chrome chemicals. The critical specifications are a minimum of 45% Cr ₂ O ₃ , and a maximum of 1.28% SiO ₂
chrome	used to reference any form of chromium, Cr or chrome concentrate
chrome concentrate	any combination of chemical, foundry and/or metallurgical grade concentrate with a predominance of metallurgical grade concentrate
chrome alloys	a chrome alloy produced directly through smelting using carbon as a reducing agent in the presence of fluxes, which alloy is used as primary raw material in the production of stainless steel
chromite	a hard, black, refractory chromium-spinel mineral consisting of varying proportions of the oxides of iron chromium, aluminium and magnesium
chromitite	a rock composed essentially of chromite, that typically occurs as layers or irregular masses exclusively associated with magmatic complexes. The bulk of the world's exploitable chromitite occurs almost exclusively in layered complexes
chromitite layers	thick accumulations of chromite grains to form monomineralic bands or layers, which chromitite layers are typically greater than 30 cm thick
chromium or Cr	the element chromium (Cr) is classified as a metal and is situated between other metals such as vanadium (V), manganese (Mn) and molybdenum (Mo) in the periodic table of elements
CIF	cost, insurance and freight as defined in Incoterms 2010
cm	centimetres
Coffey	Coffey Mining (South Africa) Proprietary Limited (Registration number 2006/030152/07), a private company duly registered and incorporated in South Africa
Company, Tharisa	Tharisa plc, a company incorporated under the laws of Cyprus with registration number HE223412
Competent Person's Report or CPR	a report compiled by an independent Competent Person (CP) relating to the technical aspects of a mine that may include a techno-financial model
Conditional award	an award which takes the form of a contingent right to receive, at no or nominal cost, such number of ordinary shares or receive a cash amount as is specified in the notice of award and has vested
CSE	the Cyprus Stock Exchange
CSI	corporate social investment
Cr₂O₃	chromium (III) oxide
CREST	the relevant system (as defined in the Uncertificated Securities Regulations) in respect of which Euroclear UK & Ireland is the operator
CSDP Markets Act	a Central Securities Depository Participant as defined in section 1 of the Financial Markets Act
Cyprus	the Republic of Cyprus
Cyprus Companies Law	Companies Law, Chapter 113 of the laws of Cyprus, as amended, supplemented or otherwise modified from time to time

dematerialise, dematerialised or dematerialisation	the process by which physical share certificates are replaced with electronic records of ownership in accordance with the rules of Strate
dematerialised shares	shares which are held in electronic form as uncertificated securities in accordance with the requirements of Strate
Depository	Computershare Investor Services PLC
Depository interests or DI	the dematerialised depository interests issued by the Depository in respect of the underlying ordinary shares
Disclosure and Transparency Rules or DTR	the Disclosure and Transparency Rules made by the FCA under Part VI of the Financial Markets Act, 2000
DMRE	the South African Department of Mineral Resources and Energy
DWS	Department of Water and Sanitation, South Africa
EIA	environmental impact assessment
EMP	the environmental management plan in terms of the MPRDA
EMPR	environmental management programme report
Eskom	Eskom Holdings SOC Limited
Equator Principles	the set of voluntary guidelines adopted and interpreted in accordance with International Finance Corporate Performance Standards and the World Bank's EHS guidelines, adopted by Equator Principle Financial Institutions, as updated from time to time
Euroclear UK & Ireland	Euroclear UK & Ireland Limited, the operator of CREST
the FCA	the Financial Conduct Authority of the United Kingdom
FCA	Free carrier – a trade term requiring the seller to deliver goods to the carrier or another person nominated by the buyer at the seller's premises or another named place. Costs for transportation and risk of loss transfer to the buyer after delivery to the carrier
FEED	front-end engineering and design
FIFR	fatality injury frequency rate
foundry grade	concentrate saleable chromium-rich product typically more than 45% Cr ₂ O ₃ less than 1% SiO ₂ and a specific particle size distribution
g/t	grammes per tonne
GBP	British pound, the lawful currency of the United Kingdom
Genesis or Genesis Plant	the 100 000 tpm nameplate capacity processing plant for the production of PGM and chrome concentrate, owned by Tharisa Minerals
GHG	greenhouse gas
Group	the Company including all its subsidiaries
HDSA	historically disadvantaged South Africans as defined in the MPRDA and the Mining Charter
HRD	human resources development
ICDA	the International Chromium Development Association
IDP	Individual development plans
IFRS	International Financial Reporting Standards
illuvial chrome	at surface chrome fines generated from seams as a result of weathering

GLOSSARY

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Impala Platinum	Impala Platinum Limited, a subsidiary of Impala Platinum Holdings Limited (Registration number 1957/001979/06), a public company duly registered and incorporated in South Africa
Incoterms 2010	the Incoterms rules are a series of predefined commercial terms published by the International Chamber of Commerce that are widely used in international commercial transaction or procurement processes
Indicated Mineral Resource	an Indicated Mineral Resource is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics and mineral content can be estimated with a reasonable level of confidence. Designating a resource as "Indicated" is based on information from exploration, sampling and testing of material gathered from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological or grade continuity but are spaced close enough for continuity to be assumed
Inferred Mineral Resource	an Inferred Mineral Resource is that part of a Mineral Resource for which volume or tonnage, grade and mineral content can be estimated with only a low level of confidence. It is inferred from geological evidence and sample and assumed but not verified geologically or through analysis of grade continuity. Designating a Mineral Resource "Inferred" is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that may be limited in scope or of uncertain quality and reliability
Investec Bank	Investec Bank Limited (Registration number 1969/004763/06), a public company duly registered and incorporated in South Africa
Investment agreement	the Investment Project Framework Agreement entered into between Karo Holdings and the Republic of Zimbabwe on 22 March 2018
Ir	Iridium
IWUL	integrated water use licence
JSE or Johannesburg Stock Exchange	JSE Limited (Registration number 2005/022939/06), a public company duly registered and incorporated in South Africa and licensed in terms of the Financial Markets Act, No. 19 of 2012
JSE Listings Requirements	the Listings Requirements of the JSE, as amended from time to time
K3 UG2 chrome plant	the chrome concentrate recovery plant associated with Sibanye-Stillwater's K3 plant
Karo Holdings	Karo Mining Holdings Limited (Registration number HE380340), a public company duly registered and incorporated in Cyprus
Karo Platinum	Karo Platinum Mines (Private) Limited (Registration number 7178/2013), a private company duly registered and incorporated in Zimbabwe
King IV	the King IV Code on Corporate Governance 2016 (South Africa)
km	thousand metres
koz	thousand ounces
kt	thousand tonnes
ktpm	thousand tonnes per month
Leto Settlement	a discretionary trust established in accordance with the trusts (Guernsey) Law 1989 by Artemis Trustees Limited, in its capacity as trustee of the Zeus Settlement, out of a portion of the trust assets of the Zeus Settlement, for the benefit of Adonis Pouroulis, his wife and children
Listing	the primary listing of Tharisa, a foreign registered company, in the "General Mining" sector of the Main Board of the JSE under the abbreviated name "Tharisa", JSE code "THA" and ISIN CY0103562118
Listing Rules	the Listing Rules made by the FCA under Part VI of the Financial Markets Act, 2000

LOM	life of mine, being the expected remaining years of production based on production rates and ore Mineral Reserves
London Stock Exchange or LSE	the London Stock Exchange plc
LTI	lost-time injury resulting in the injured being unable to attend/return to work to perform the full duties of his/her regular work, as per advice of a suitably qualified medical professional, on the next calendar day after the injury
LTIFR	lost-time injury frequency rate, the number of lost-time injuries per 200 000 hours worked
Main Market	the Main Market of the LSE
Measured Mineral Resource	a Measured Mineral Resource is that part of a Mineral Resource for which the tonnage, densities, physical characteristics, grade and mineral content can be estimated with a high level of confidence. Describing a resource as "Measured" is based on detailed and reliable information from exploration, sampling and testing of material from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity
metallurgical grade concentrate	saleable chromium-rich product typically of 42% Cr ₂ O ₃
MG0	chromitite layer that consists of chromitite dissemination with more chromitite layers and stringers, that are developed in the footwall pyroxenite of the MG1 Chromitite Layer
MG1	chromitite layer that typically has a massive chromitite content with minor feldspathic pyroxenite partings or layering. In some areas the MG1 Chromitite Layer has developed into two chromitite layers separated by a feldspathic pyroxenite
MG2	chromitite layer that consists of three groupings of chromitite layers which from the base are the MG2A Chromitite Layer, MG2B Chromitite Layer and the MG2C Chromitite Layer. The partings are typically feldspathic pyroxenite. The parting between the MG2B Chromitite Layer and MG2C Chromitite Layer includes a platiniferous chromitite stringer
MG3	chromitite layer that is occasionally a massive chromitite layer but more often a very irregular assemblage of chromitite layers and stringers within a norite and/or anorthosite. The top of the package typically consists of thin chromitite stringers and dissemination of chromite in norite which develops into a massive layer at the base
MG4	the MG4 Chromitite Layer consists of a lower chromitite (MG4(0) Chromitite Layer) (approximately 0.6 m thick) immediately overlain by a norite (approximately 0.85 m thick) followed by the chromitite layer of the MG4 Chromitite Layer (approximately 1.8 m thick), overlain by another parting, of feldspathic pyroxenite composition, some 3.2 m thick and finally overlain by the chromitite of the MG4A Chromitite Layer (approximately 1.5 m thick)
MG4A	the MG4A Chromitite Layer consists of a number of chromitite layers within a pyroxenite host rock
MG Chromitite Layers	group of five chromite layers that are known in the lower and upper critical zone of the Bushveld Complex
MHSA	the Mine Health and Safety Act, 1996 of South Africa
MHSC	the Mine Health and Safety Council of South Africa
Mineral Reserve	the economically mineable material derived from a measured or indicated Mineral Resource or both, which includes diluting and contaminating materials and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a pre-feasibility study for a project and a LOM plan for an operation must have been completed, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors (the modifying factors)

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Mineral Resource	a concentration or occurrence of material of economic interest in or on the earth's crust in such form, quality and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, or estimated from specific geological evidence, sampling and knowledge interpreted from an appropriately constrained and portrayed geological model. Mineral Resources are subdivided, and must be so reported, in order of increasing confidence in respect of geoscientific evidence, into Inferred, Indicated or Measured categories
Mines and Minerals Act	the Mines and Minerals Act of Zimbabwe [Chapter 21:05]
Mining Charter	the Broad-based Socio-economic Empowerment Charter for the South African Mining Industry (together with the Charter Scorecard), published pursuant to section 100(2) (a) of the MPRDA under Government Gazette No. 26661 of 13 August 2004 and thereafter amended by General Notice 1002 of 27 September 2018
Mining Right	a new order Mining Right, granted by the DMRE in terms of the MPRDA, which provides the holder thereof the required legal title to mine
MPRDA	Mineral Petroleum Resources Development Act
MQA	Mining Qualifications Authority of South Africa
Mt	million tonnes
MTC	medical treatment case
Mtpa	million tonnes per annum
MW	megawatt
MWh	megawatt hour
NEMA	National Environmental Management Act of 2008 of South Africa
NEMWA	National Environmental Management Waste Act of 2008 of South Africa
Noble	Noble Resources International PTE Limited, (Registration number 201115304N), a company duly registered and incorporated in Singapore
NQF	National Qualifications Framework of South Africa
NUM	the National Union of Mineworkers of South Africa
NWA	National Water Act of 1998 of South Africa
OEM	original equipment manufacturer
Official List	the official list of the FCA
oz	a troy ounce which is exactly 31.1034768 grams
ozpa	oz per annum
pa	per annum
Pd	Palladium
PDMRs	Person/s Discharging Managerial Responsibility – persons who have access to price sensitive information on a regular basis and who may therefore not deal in a company's securities in a closed period
Pivot	Pivot Mining Consultants Proprietary Limited (Registration number 2006/030152/07), a private company duly registered and incorporated in South Africa
PGE	Platinum group elements
PGMs	Platinum group metals being platinum, palladium, rhodium, ruthenium, iridium, and osmium

PGM concentrate	the commercially acceptable flotation concentrate containing PGMs
PRC or China	the Peoples Republic of China
prill split	a breakdown by mass of the various PGM metals contained in PGM containing materials
Prospecting Right	a prospecting right granted by the DMRE in terms of the MPRDA
Pt	Platinum
reef	in the context of this Integrated Annual Report, reef refers to any or all of the MG and UG chromitite layers
Rh	Rhodium
RNS	the Regulatory News Service of the LSE
ROM	run of mine, being the ore tonnage extracted to be processed
Ru	Ruthenium
Salene Chrome	Salene Chrome Zimbabwe (Private) Limited (Registration number 920/2015), formerly Maroon Blue Consultants (Private) Limited, a private company duly incorporated and registered in Zimbabwe
SAMREC Code	the South African Code for Reporting of Exploration Results, Mineral Resources and Reserves (prepared by the South African Mineral Resource Committee ('SAMREC') Working Group) (2016)
SAMVAL Code	the South African Code for the Reporting of Mineral Asset Valuation (2016) prepared by the South African Mineral Asset Valuation Committee ('SAMVAL') Working Group
SENS	the Stock Exchange News Service of the JSE
SETA	Sector Education Training Authority, South Africa
Share Award Plan or TSAP	the Tharisa Share Award Plan approved by the shareholders
Shares	all the issued ordinary shares of the Company of nominal value of US\$0.001 each
SHE	safety, health and environment
SIB	stay in business capital expenditure
Sibanye-Stillwater	Sibanye Gold Limited (Registration number 2002/031431/06), a public company duly incorporated and registered in South Africa
SiO ₂	silicon dioxide
SLP	Social and Labour Plan aimed at promoting employment and advancement of the social and economic welfare of all South Africans while ensuring economic growth and socioeconomic development as stipulated in the MPRDA
SOP	standard operating procedures
South Africa or SA	the Republic of South Africa
Standard listing	a listing on the standard segment of the official list
Strate	Strate Limited (Registration number 1998/022242/06), a limited liability public company duly registered and incorporated in South Africa, which is a registered central securities depository and which is responsible for the electronic settlement system used by the JSE
stripping ratio	the ratio, measured in m ³ to m ³ at which waste and inter-burden are removed, relative to ore mined

GLOSSARY

CONTINUED

STS	standard threshold shift
t	tonne
tCO ₂ e	tonnes of carbon dioxide equivalent
TB	tuberculosis
Tharisa	Tharisa plc (Registration number HE223412), a public company duly registered and incorporated in Cyprus
Tharisa Mine	Tharisa Minerals' wholly owned PGM and chrome mining and processing operations located in the magisterial district of Rustenburg (North West region), South Africa, situated in the Bushveld Complex
Tharisa Minerals	Tharisa Minerals Proprietary Limited (Registration number 2006/009544/07), a company duly registered and incorporated in South Africa, held 74% by Tharisa
The Disclosure and Transparency Law	Law 190(I)/2007, as amended (law providing for transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market), governed by the Cyprus Securities and Exchange Commission
Tisco	Taiyuan Iron and Steel's Joint Venture Company Shanxi Taigang Wanbang Furnace Charge Co. Limited
tpa	tonnes per annum
tpm	tonnes per month
Transnet	Transnet SOC Limited
UG1	the Upper Group 1 chromitite layer that is a well developed and consistent marker in the critical zone of the Bushveld Complex that consists of a massive chromitite, chromitiferous pyroxenite, bands of anorthosite, chromitite and norites and stringers of chromitites
UG2	the Upper Group 2 chromitite layer of the Bushveld Complex that is well known and typically contains PGMs in a concentration that is sufficient for economic extraction
UG Chromitite Layers	the Upper Group chromitite layers of the Bushveld Complex
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
UK Listing Authority or UKLA	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the FSMA and in the exercise of its functions in respect of admission to the official list
USA	the United States of America
US\$	United States dollar, the lawful currency of the US
VCT	voluntary counselling and testing
Voyager or Voyager Plant	a 300 000 tpm nameplate capacity processing plant for the production of PGM and chrome concentrate, owned by Tharisa Minerals
Vulcan or Vulcan Plant	ground-breaking use of existing technologies in fine chrome recovery
WPIC	World Platinum Investment Council
ZAR or R or rand	South African rand, the lawful currency of South Africa
Zimbabwe	the Republic of Zimbabwe

STAKEHOLDER ENGAGEMENT

Tharisa believes that stakeholder engagement is a business imperative and that strong lines of communication between stakeholders ensure the success of the Group and secure its place within the community. The Group’s stakeholder engagement strategy aims to maintain good working relations, manages social risk and develops solutions to social challenges faced by its stakeholders. Tharisa’s stakeholder engagement framework will be further developed for the new jurisdictions that it is entering as those operations are established.

SHAREHOLDERS

- Interim and integrated annual reporting
- Quarterly production updates
- Annual general meeting ('AGM')
- SENS/RNS announcements
- Annual report
- Company website
- Face to face and online meetings

COMMUNITIES

- AET, leadership and bursaries
- Community forums
- Local upliftment and wellness programmes and projects
- Regular meetings with various community leadership structures
- CSI programmes
- Career-sharing information for pupils

SOUTH AFRICAN STATE-OWNED ENTITIES

- Regular face-to-face meetings
- Electronic communication
- Joint task team with Transnet to develop rail siding

EMPLOYEES

- Regular employee engagement forum meetings at the Tharisa Mine
- Tharisa newsletters and posters
- Tharisa induction and ongoing skills development training
- Company website
- Daily supervisor/manager interaction
- Ongoing safety training on the Tharisa Mine
- Tharisa wellness programmes and campaigns
- Social media campaigns using LinkedIn and twitter

CUSTOMERS

- Regular customer meetings
- Electronic and telephonic communication
- Customer site visits
- Commodity conferences

FINANCIERS

- Reporting on a monthly, bi-annual and annual basis
- Presentations and meetings with management
- Tharisa Mine site visits by debt providers
- Telephonic and electronic communication, particularly on working capital facilities
- Annual review of working capital facilities

LABOUR UNIONS

- Union recognition and negotiations at Tharisa Minerals
- Monthly liaison with shop stewards
- Regular contact with union leadership
- Tharisa Mine labour forum meets monthly

GOVERNMENT

- Monthly, quarterly and integrated annual reports to the DMRE
- Regular engagement with local and provincial government and municipalities
- Scheduled and unannounced site visits by regulators

ANALYSTS

- Roadshows and analyst briefings
- Interim and annual reporting
- Annual report
- Four quarterly production reports
- Company website
- SENS/RNS announcements

SUPPLIERS

- Procurement policies, tender process
- Verbal and electronic communication
- Contract terms negotiated and agreed
- Standard contract terms for suppliers of goods

CORPORATE INFORMATION

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

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 John David Salter (Lead independent non-executive director)
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 Omar Marwan Kamal (Independent non-executive director)
 Carol Bell (Independent non-executive director)
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