tharisa

DISCOVER DEVELOP DELIVER DIVERSIFY

THIS IS THARISA

April 2021

INVESTING IN SUSTAINABILITY

THS:LSE • THA:JSE

AJ Bell Shares Investor Evening - Webinar

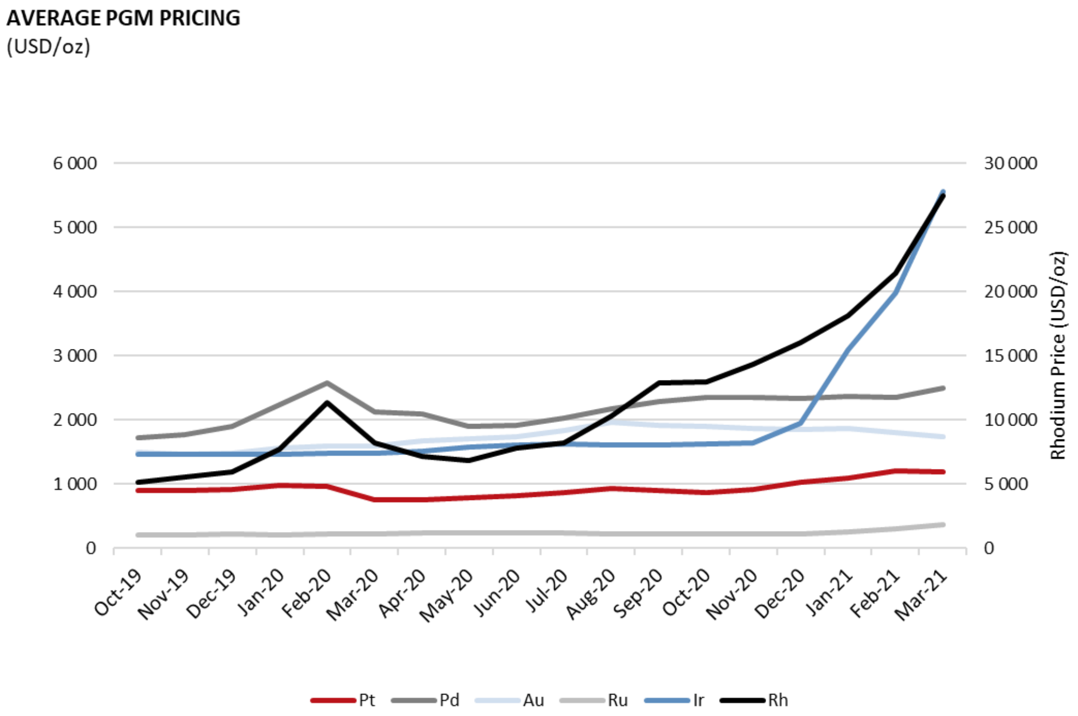
INVESTING IN THARISA

FY2020 EBITDA margin 27.8%

YTD PGM basket price growth 134%

1. **Your London exposure to the world of Platinum Group Metals (PGMs)**
   - Unique PGM prill split, ~12% rhodium (4E basis)
   - Profitable throughout the cycle
2. **Sustainability**
   - Long life, large scale open pit mine
   - Mechanised low cost operation
   - Consistency of resource
3. **Control**
   - Operational control from pit to market
   - Cost control due to in-house nature of operation
4. **Returns to Shareholders**
   - Dividends to shareholders
   - Capital appreciation
   - Growing margins and highly cash generative
5. **Value proposition**

Analyst 1	2.3x EV/EBITDA
Analyst 2	1.7x EV/EBITDA
Analyst 3	2.7x EV/EBITDA

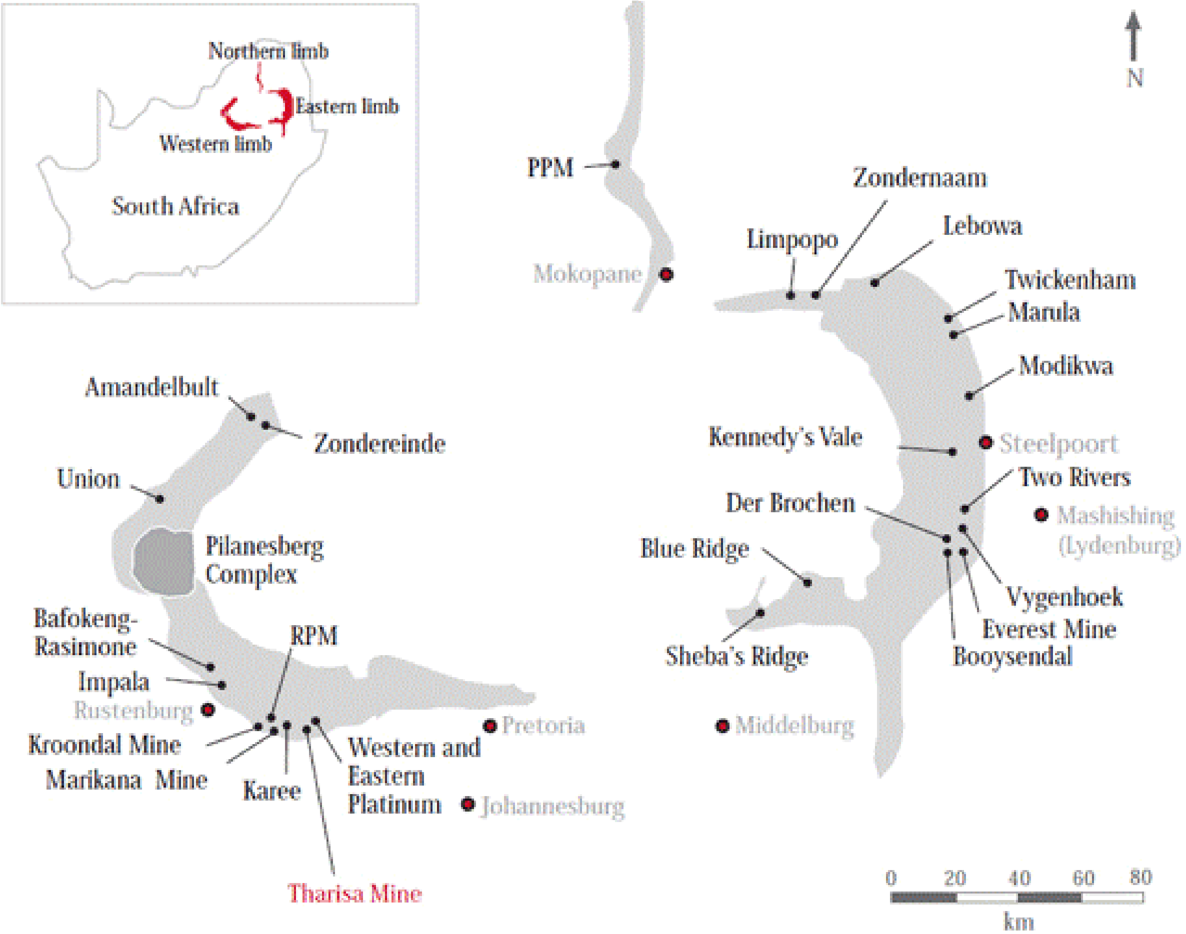


WHO WE ARE

859.58 MT IN MINERAL RESOURCE

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

– Leading PGM and chrome co-producer
– 14 year LOM open pit located in the heart of PGM and chrome country
– +40 year underground mechanised life
– Close to infrastructure, road, rail and power
– Mechanised, with a highly skilled workforce
– Tharisa is a product of the new mining code - fully compliant



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

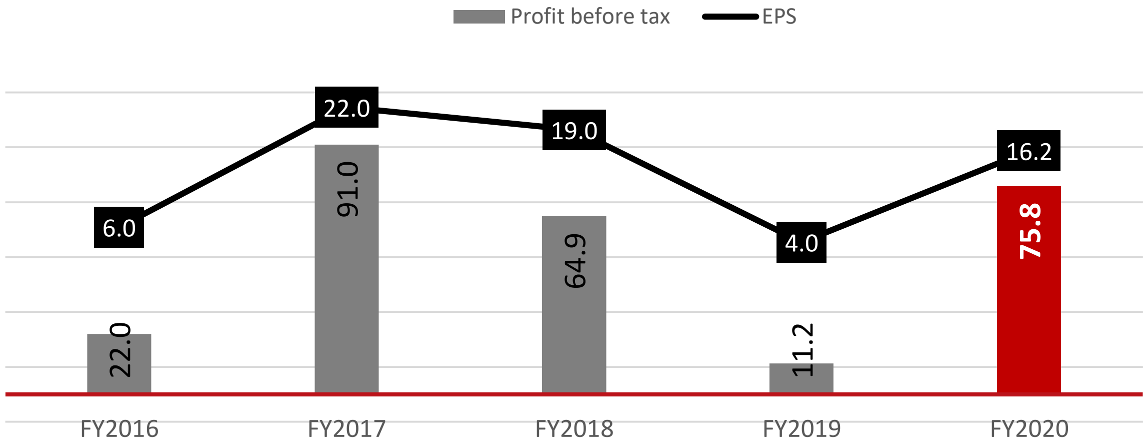
*Mineral Resource and Mineral Reserve Statement in 2020 annual report pages 50-55

SUSTAINABLE LOW COST POLYMETALLIC BUSINESS MODEL

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

PROFIT BEFORE TAX AND EPS

(US$ m) (US cents)



SAFETY, SUSTAINABILITY AND ESG

LTIFR 0.06 / 200 000 hours (Q2 FY2021)

REDUCE CARBON EMISSIONS BY 2030

LTFIR

0.09

Lost Time Injury Frequency Rate
30 September 2020

FATALITY FREE YEARS

5+

Achieved: 28 September 2020

ENVIRONMENT

TOTAL ENERGY CONSUMPTION

185 807 MWh

TOTAL CO_2 EMISSIONS (SCOPE 1)

82 829 tCO_2e

CUMULATIVE REHABILITATION PROVISION

US$17.3 m

TOTAL WATER CONSUMPTION

1 290 346 m^3

58

Engineering Learnerships

40

Interns and Graduates

209

Adult Education and Training learners

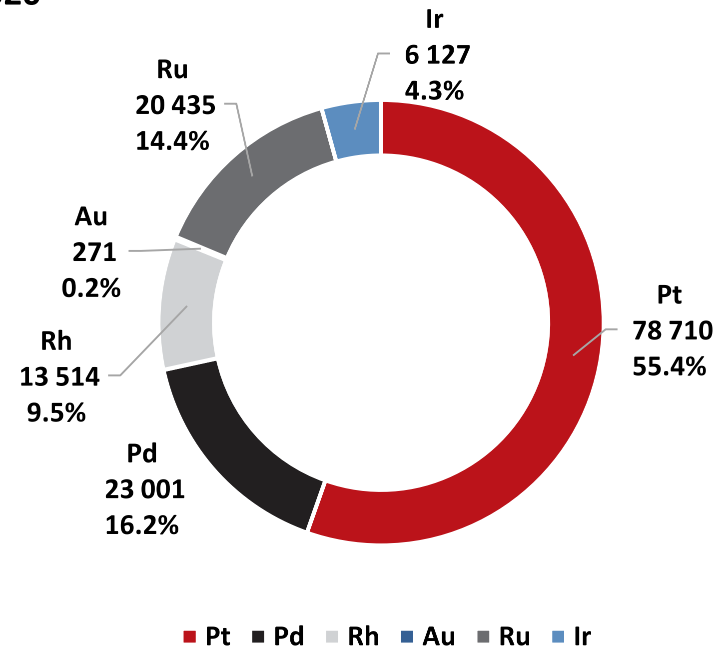
POSITIONING THARISA

SPOT PGM BASKET PRICE*
~US$4 000/oz

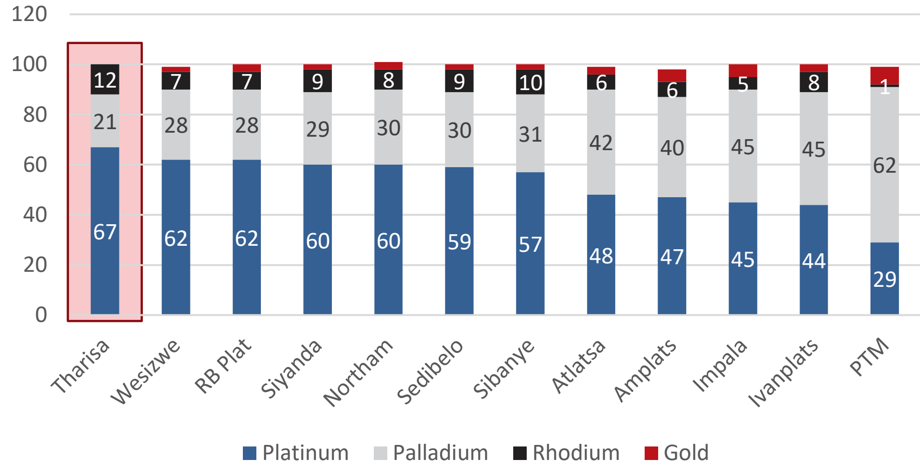
FY2021 guidance
155koz to 165koz

- PGM producer
  - 142 100 ounces of PGMs FY2020
- Tharisa position in terms of global demand
  - ~1.3% of platinum demand
  - ~0.3% of palladium demand
  - ~2% of rhodium demand

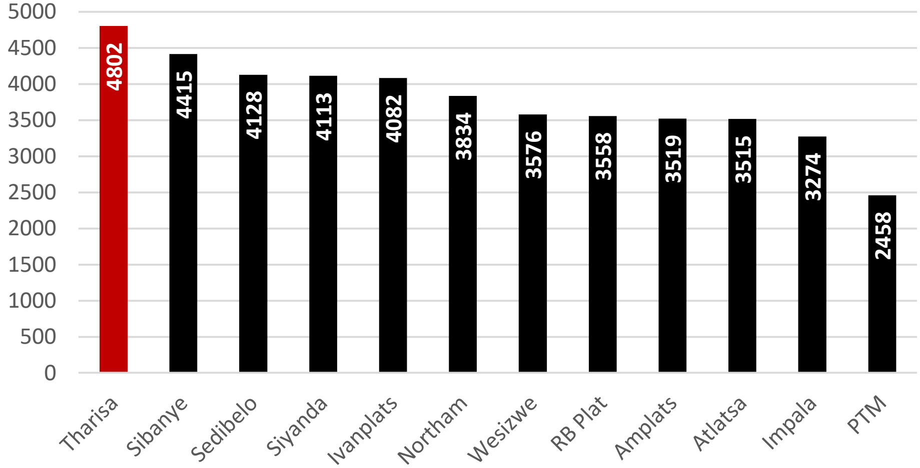
PRILL 6E FY2020



RESOURCES PRILL SPLIT 4E %



SPOT 4E BASKET PRICE



Source: Investec, prices 6 April 2021 (2) Based on analyst estimates as of Q4 2020 *as at 9 April 2021

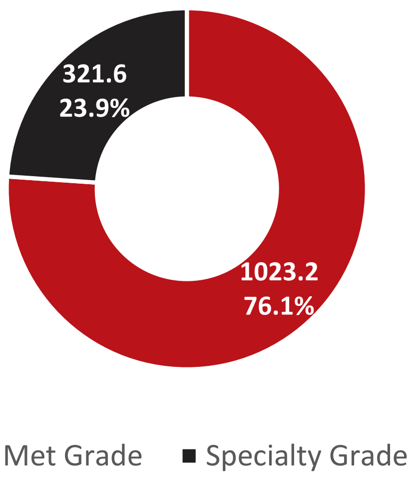
POSITIONING THARISA

SPOT CHROME PRICE*
~US$160/t

FY2021 guidance
1.45Mt to 1.55Mt

- Chrome Producer
  - 1 344 800 tonnes in FY2020
  - Provides China with 10% of all its chrome concentrate
  - One quarter specialty and foundry grade chrome
  - One of the largest global chemical grade chrome producers
  - Specialty chrome market trades at a premium
  - Vulcan construction completion Sept 2021
    - Adds additional 400k tonnes per annum of concentrate

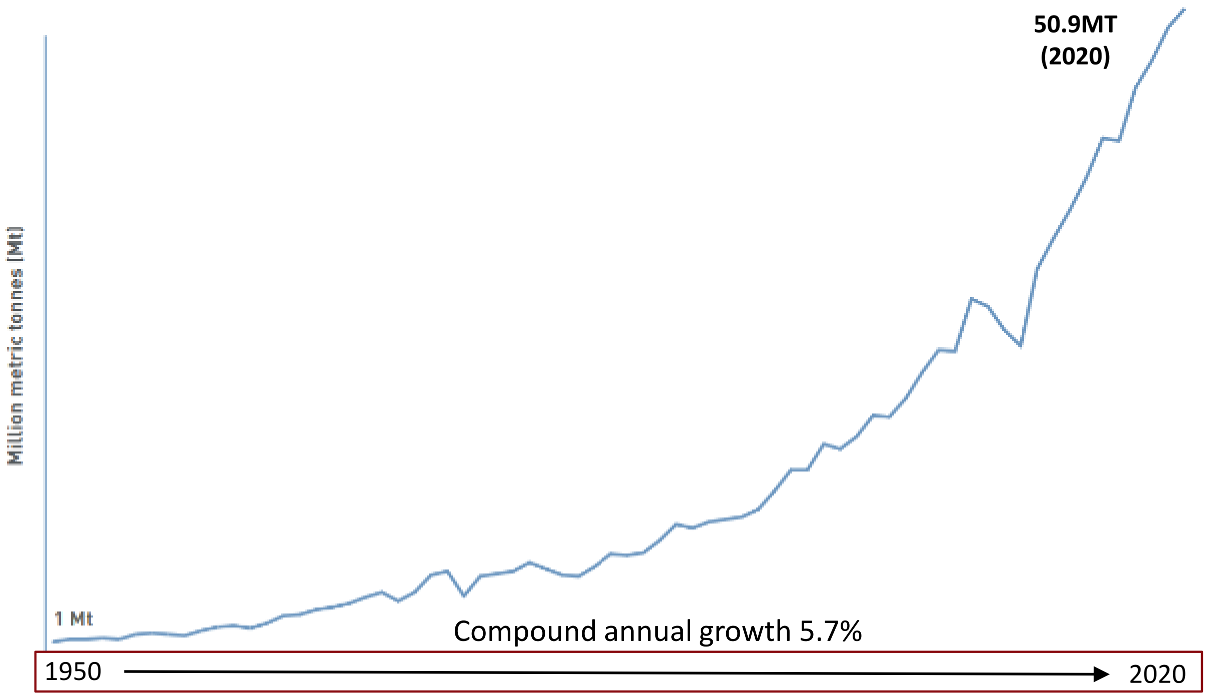
CHROME PRODUCTION FY2020 (kt)



Source: ISSF, Argus Media *as at 9 April 2021

- Chrome is what makes ***steel*** stainless
- South Africa hosts 72% of the global chrome reserves

GLOBAL STAINLESS STEEL CAGR +5.0% → ADDITIONAL STAINLESS STEEL 2.7 Mtpa → ADDITIONAL FERROCHROME 0.7 Mtpa → tharisa ≡ ADDITIONAL CHROME 1.8 Mtpa

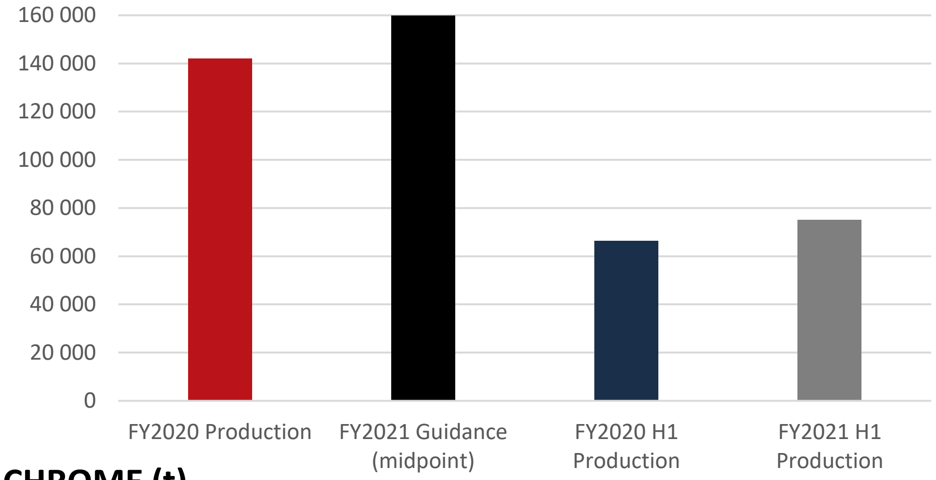


FY2021 Q2 PRODUCTION

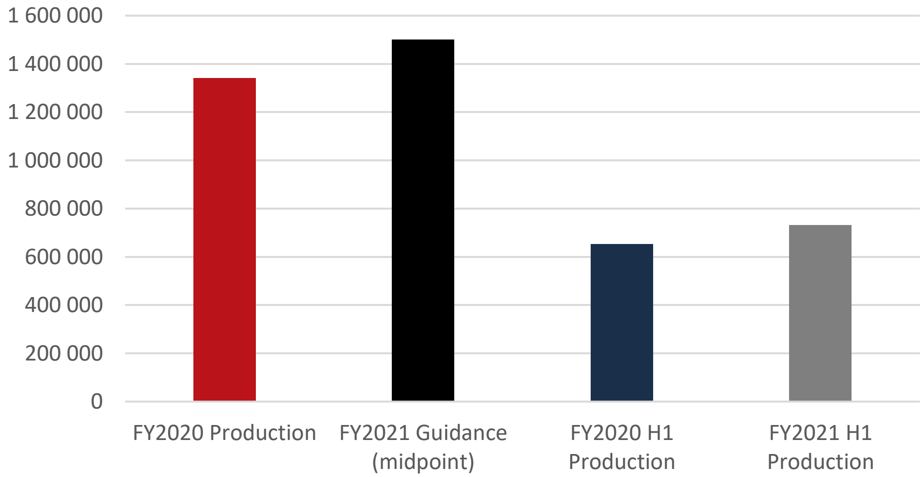
LTIFR 0.06 / 200 000 hours	SPOT CHROME PRICE ~US$ 155/t*	SPOT PGM BASKET PRICE ~US$4 000/oz*

- Record PGM prices of US$3 290/oz
- PGM production up 11.5% YoY
- Chrome concentrate production (excluding third party) up 15.5% YoY
- On track for FY2021 production guidance
- Cash Balance and Debt Position (31/03/2021)
  - Cash of US$73.1 million (31/12/2020 US$49.8m)
  - Total debt of US$41.7 million (30/9/2020 US$45.0m)
  - Positive net cash position of US$31.4 million

PLATINUM (oz)



CHROME (t)



*13 April 2021

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

GROWING THARISA

SIX PILLAR GROWTH STRATEGY

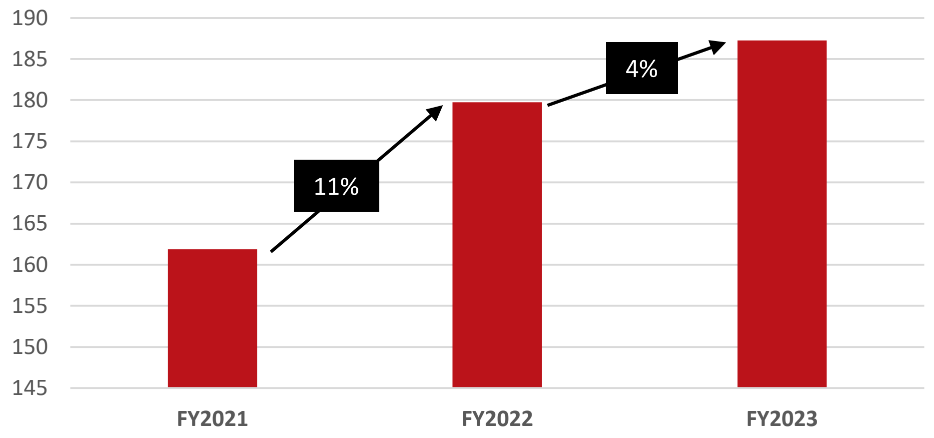
- Expand and roll out our business sustainably
- Further optimise our existing operations
- Continue to invest in innovative thinking
- Become a global and diversified business
- Be the investment of choice in our chosen sector
- Responsibly enriching the lives of all of our stakeholders

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

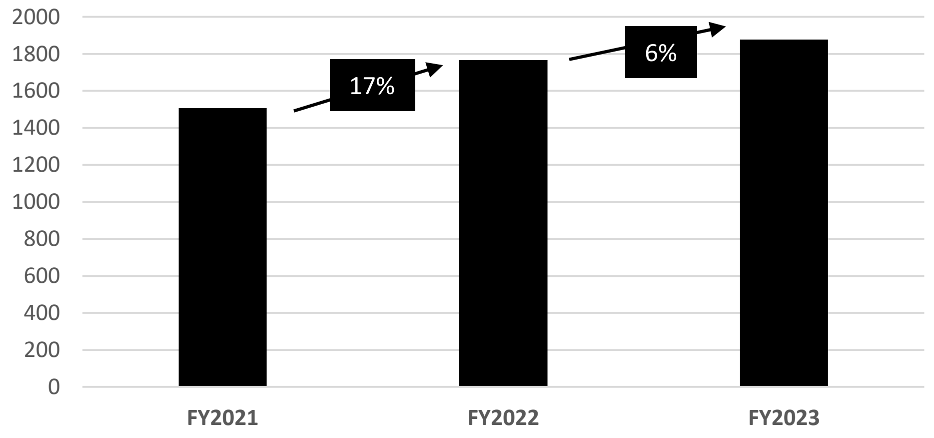
GROWING THARISA

- Optimising the Tharisa mine
  - 200 000 oz of PGM per annum
  - 2 000 000 tonnes of chrome per annum
- Capturing the downstream margin
  - PGM smelting and refining FY2023 onwards
  - Beneficiating our chrome

PGM PRODUCTION*
(oz)



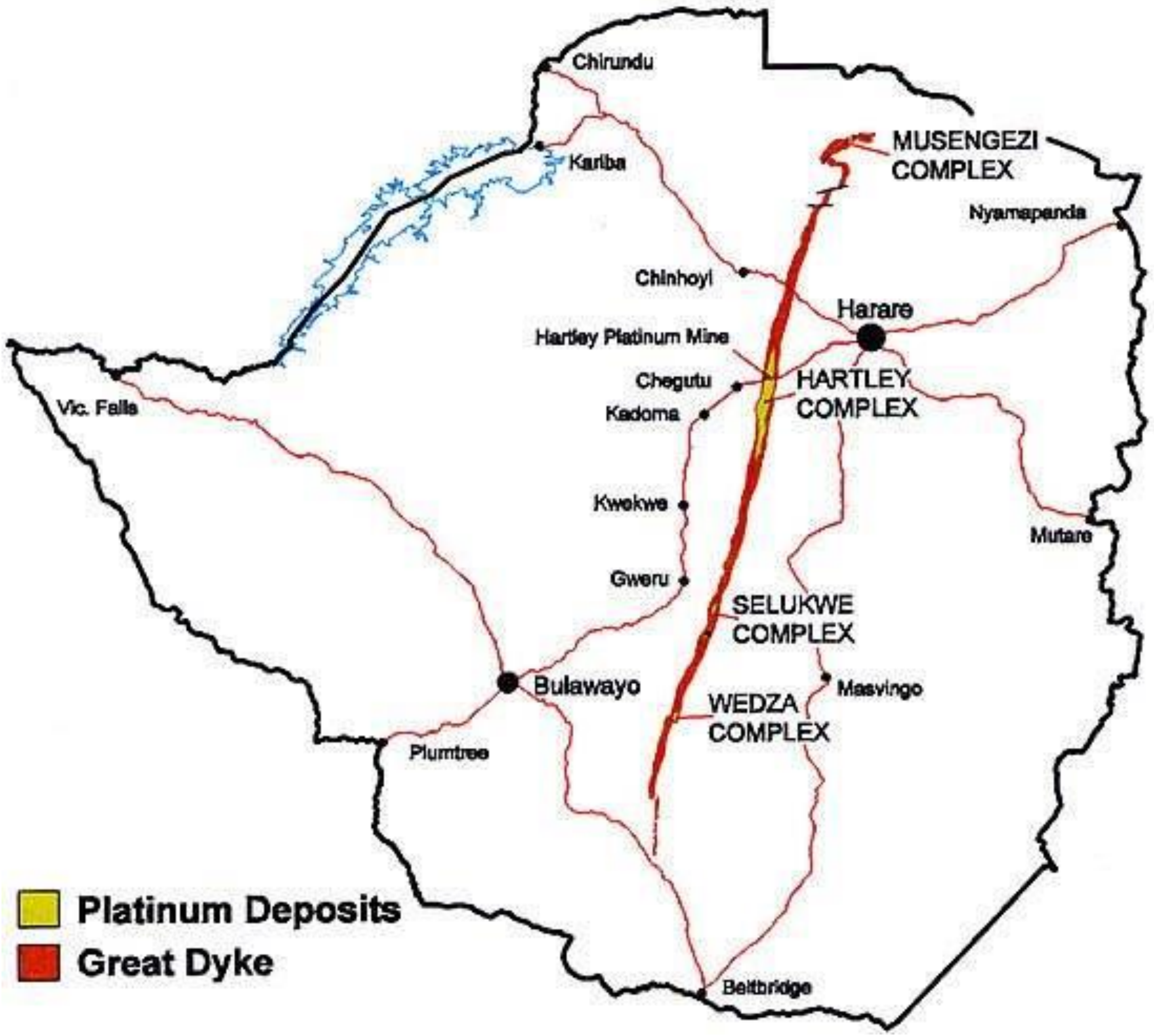
CHROME PRODUCTION*
(tonnes)



*based on average analyst forecast

KARO AND SALENE CHROME PROJECT OVERVIEW

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

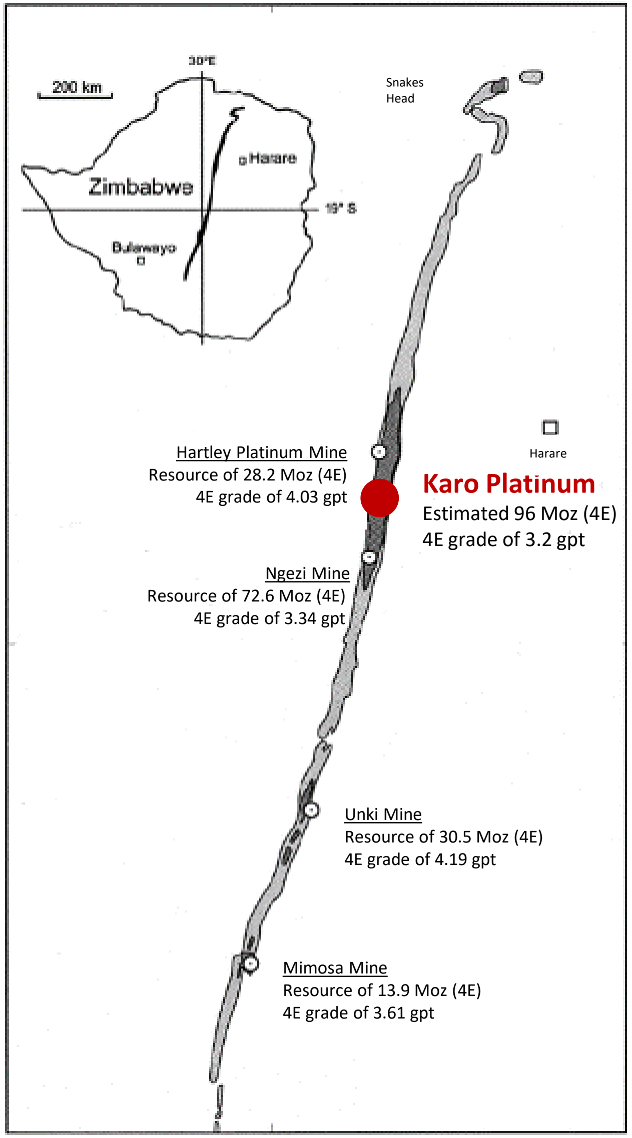


Source: USGS

PROJECTS OVERVIEW

- Tharisa owns 26.8% of Karo Platinum
- 2 phases of exploration have been completed and studies underway, due for completion end August 2021
- Financing discussions have commenced
- Phased approach to ensure project build and cash flow development
- Special Economic Zone (“SEZ”) declared over the area
- Entitled to several fiscal incentives
  - including reduced tax rates
  - duty free importation of raw materials and equipment
  - exchange control rulings.
- National Project Status application to be submitted with BFS

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

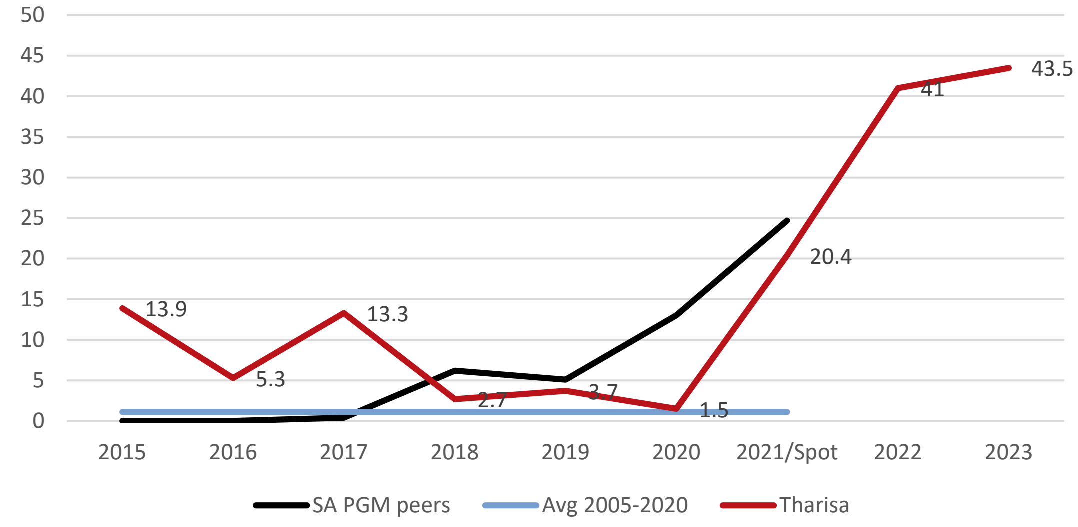


SALENE MANGANESE AND IRON

- Tharisa has an option for 70%
- Salene's principal activity is the mining of manganese and iron ore on a DSO basis
- Mine is in operation and is cash generative
- Current production on an annualized basis
  - Manganese at 600kt
  - Iron production at 600kt
- Second phase of resource drilling and declaration underway to increase production to 1.2mtpa of each product

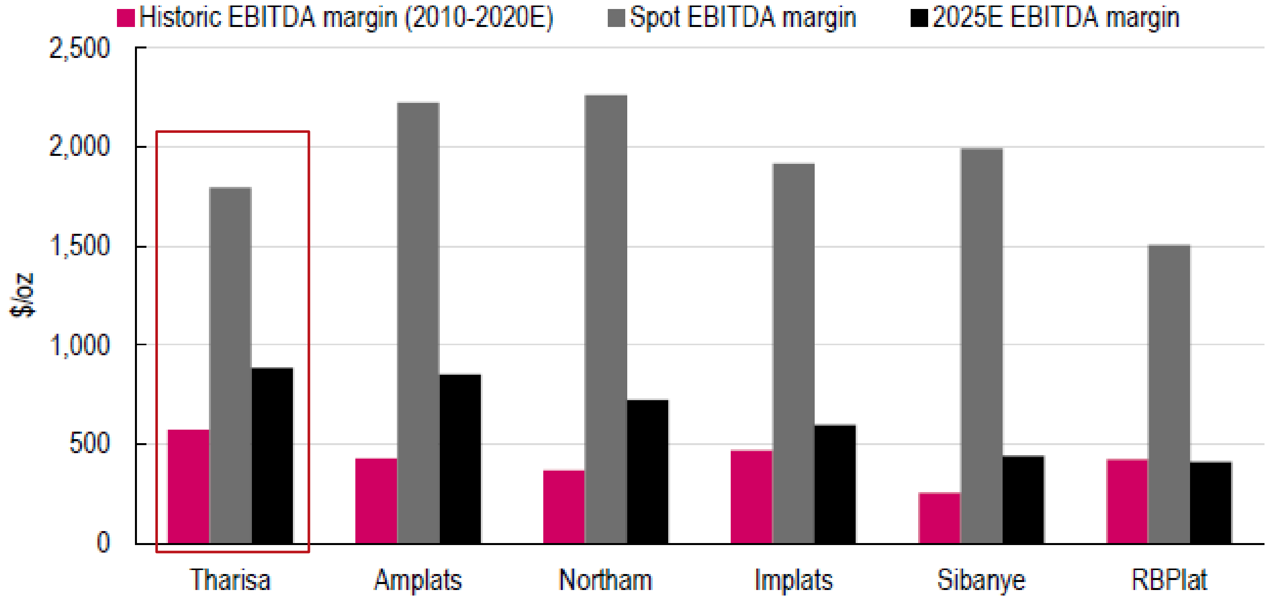
TURNING PRODUCTION INTO CASH FLOW

FREE CASH FLOW YIELD (%)



- Rising exposure to FCF yield over next 3 years

EBITDA MARGIN

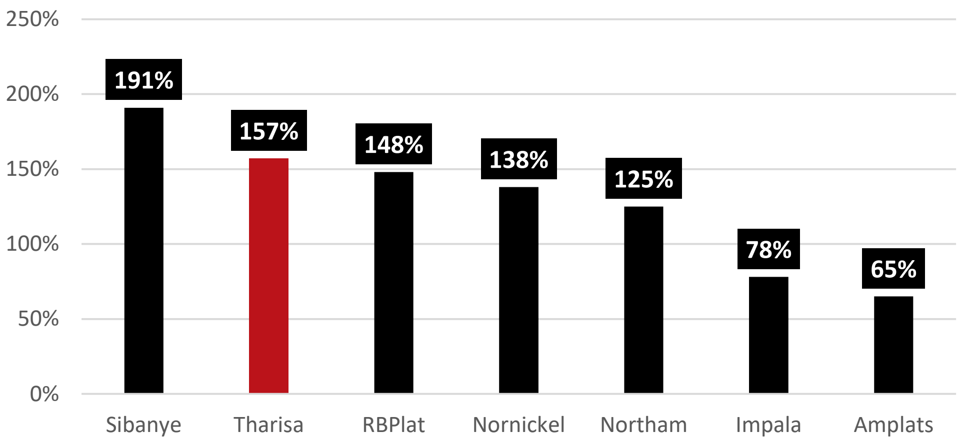


- Strong EBITDA margins throughout the cycle

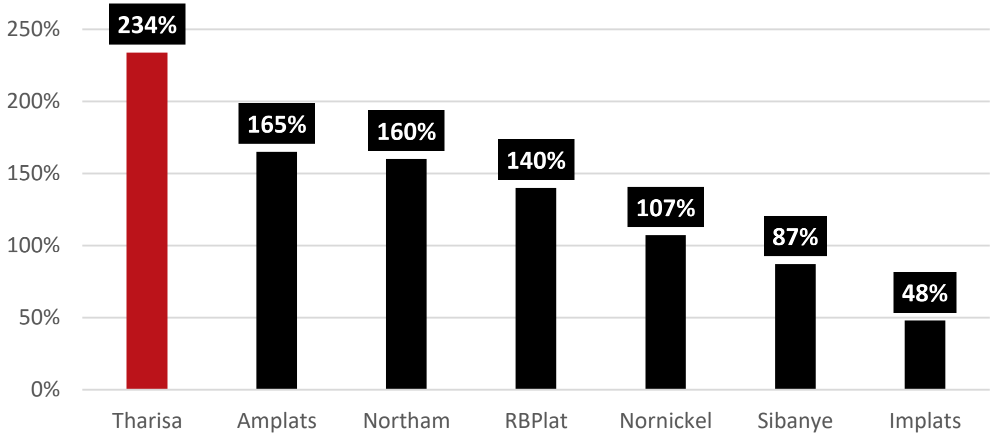
Source: Rencap, historical and forecast, market cap-weighted FCF yield* per calendar year, FCF yield is determined using equity shareholders' cash flow.

A LOOK AT VALUATION

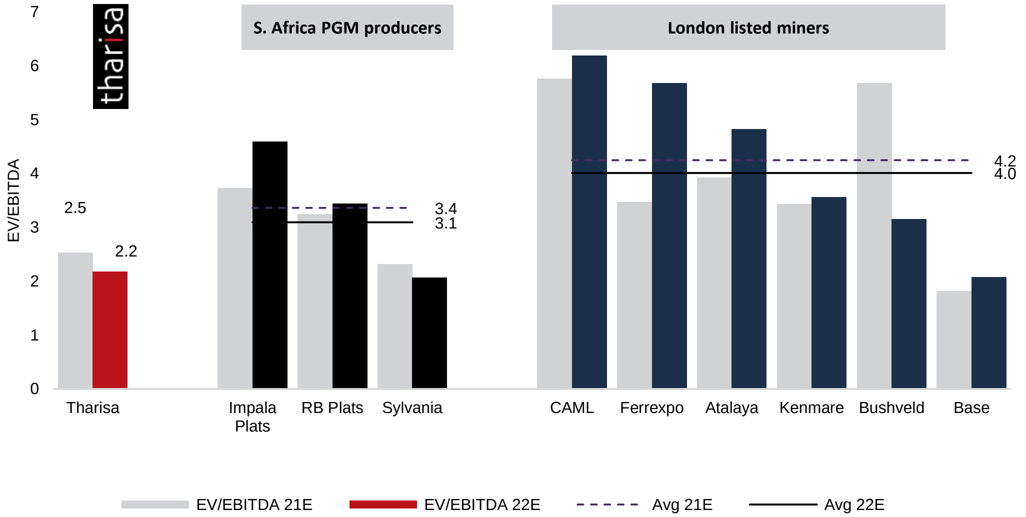
POTENTIAL SHARE PRICE UPSIDE AT SPOT



EARNINGS GROWTH CY20-21E



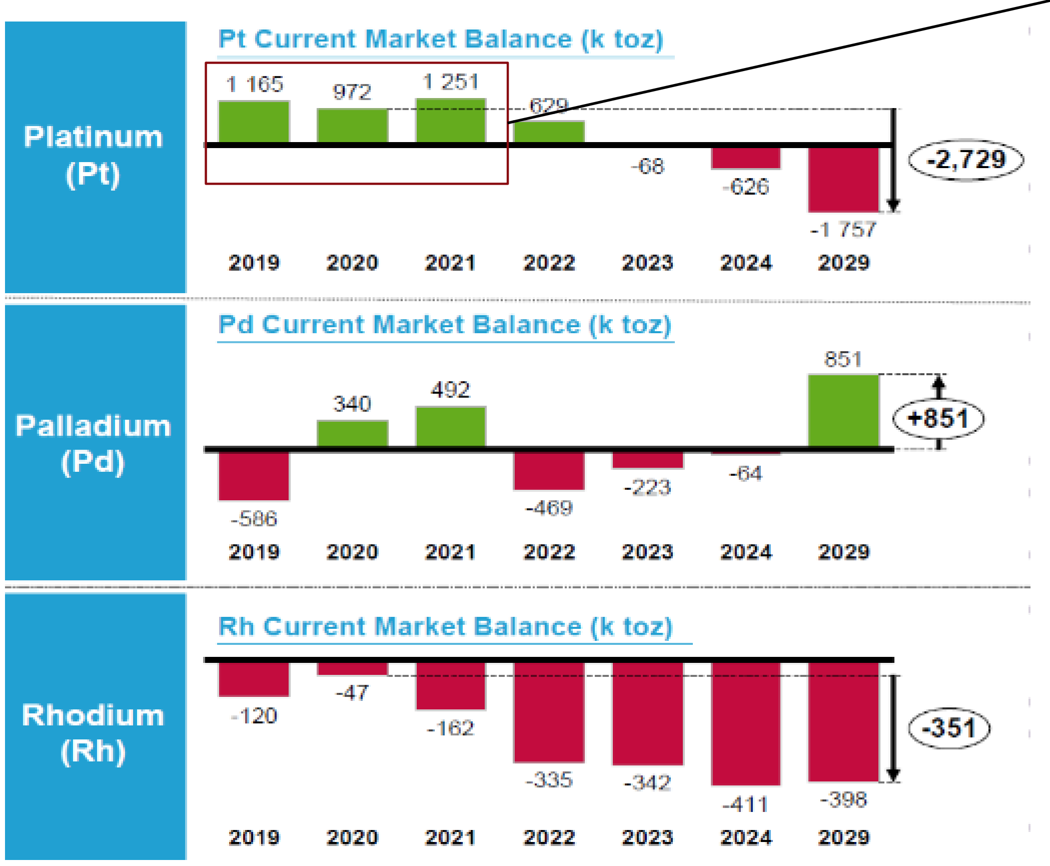
EV/EBITDA



Source: Rencap, PH

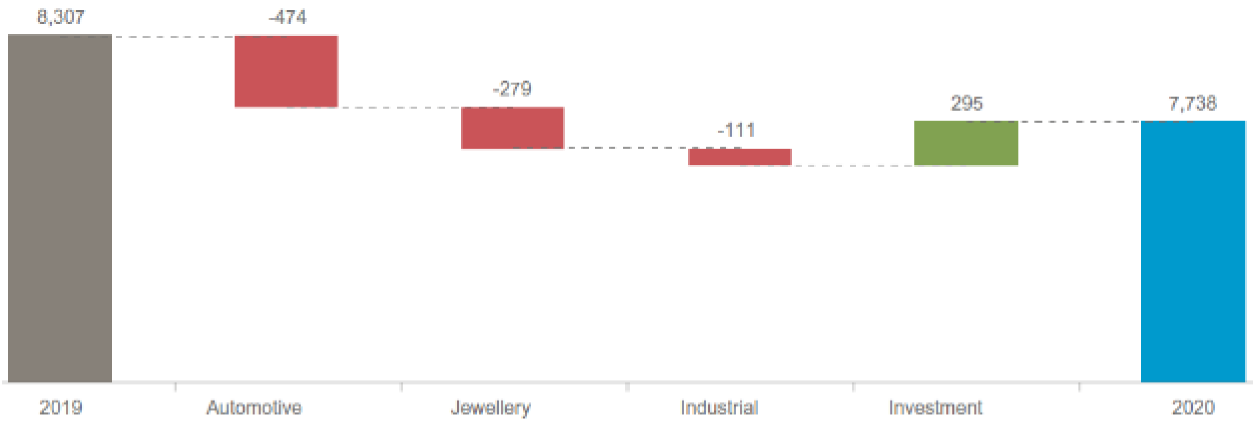
OUR COMMODITIES

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



Source: BASF (excludes investment demand)

- **WPIC PLATINUM ANALYSIS**
- Demand continued to recover from the automotive, jewellery and industrial sectors
- Robust demand from the **investment sector**
- Third quarterly supply deficit in platinum and an annual deficit of 932 koz of platinum
- **WPIC is forecasting that 2021 will remain in deficit, with demand outstripping supply by 60 koz, resulting in the third consecutive annual deficit**

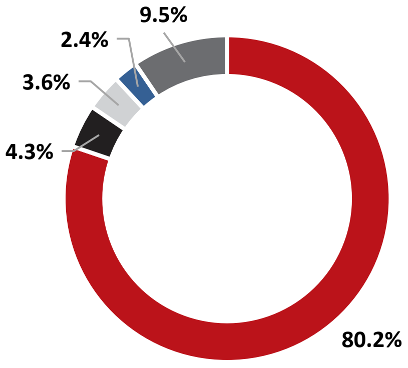


Source: WPIC, demand for platinum

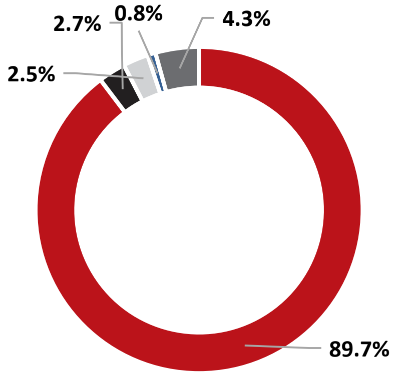
OUR COMMODITIES

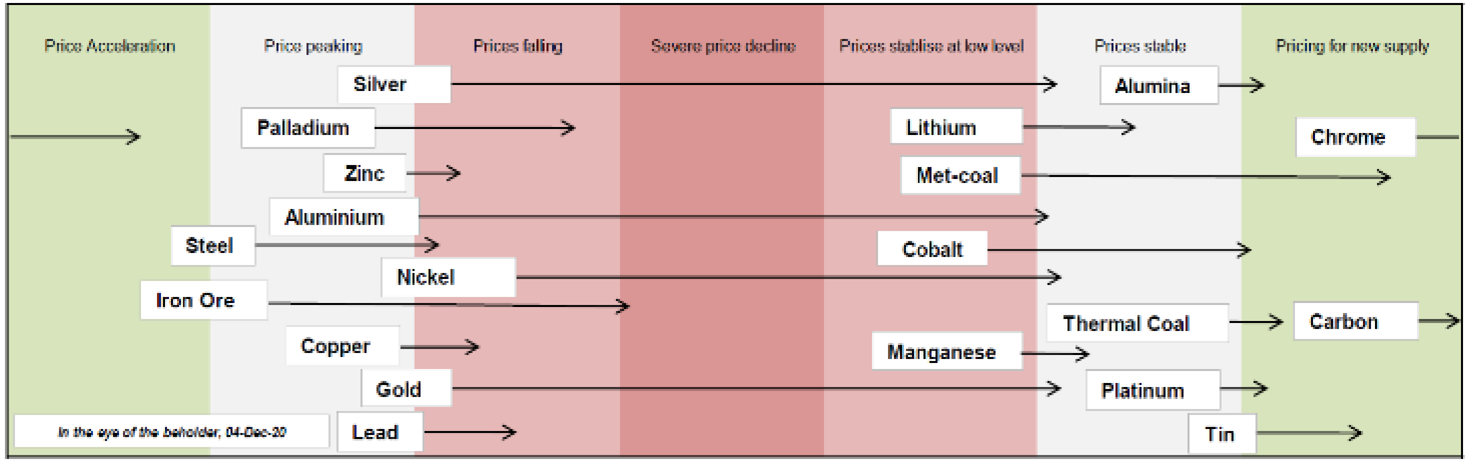
- **CHROME**
- Chrome is irreplaceable and makes steel *stainless*
- Concentrated supply with 80% from South Africa
- Demand driven by Chinese domestic consumption and export
- Global demand to increase post COVID-19 economic slow down

MAIN CR ORE EXPORTERS 2020



MAIN CR ORE IMPORTERS 2020





Source: Macquarie, ICDA

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

APPENDIX

FY2020 HIGHLIGHTS

FY2020 CHROME PRICE	FY2020 PGM BASKET PRICE	SPOT CHROME PRICE	SPOT PGM BASKET PRICE
US$140/t	US$1 704/oz	~US$160/t	~US$4 000/oz

REEF MINED

4.97 Mt

up 7.6%

(2019: 4.62 Mt)

PGM PRODUCTION

(5PGE+Au)

142.1 koz

up 1.7%

(2019: 139.7 koz)

CHROME CONCENTRATE PRODUCTION

1.34 Mt

up 3.9%

(2019: 1.29 Mt)

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

REVENUE

US$406.0 m

up 18.4%

(2019: US$342.9 m)

EBITDA

US$113.4 m

up 119.8%

(2019: US$51.6 m)

EPS

US 16.2 cents

up 305.0%

(2019: US 4.0 cents)

PROPOSED DIVIDEND

US 3.5 cents

up 367.0%

(2019: US 0.75 cents)

RETURN ON INVESTED CAPITAL (ROIC)

18.8%

up 261.5%

(2019: 5.2%)

SUSTAINABLE BUSINESS

CO-PRODUCT AND EXCHANGE RATE BENEFITS

Multiple revenue streams coupled with US$ revenues and ZAR costs

HEALTHY CASH GENERATION

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

CONTINUED INVESTMENT

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

ROBUST BALANCE SHEET

Low gearing

Net cash positive

LIQUIDITY MANAGEMENT

Capital discipline

Consistent dividend payer

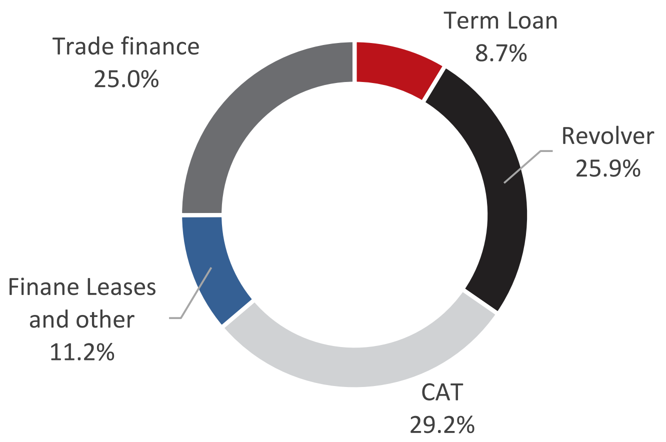
Growing ROIC

BALANCE SHEET AND CAPEX (FY2020)

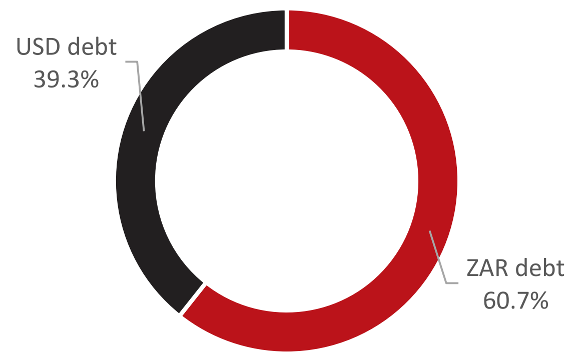
- Total debt of US$70.4 m
  - Trade finance amounted to US$17.3 m
  - Debt to total equity ratio of 21.9%
  - Cash and cash equivalent of US$49.3 m
  - Net debt to total equity ratio of 6.6%
  - Focus on working capital management - current ratio at 1.8 times

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

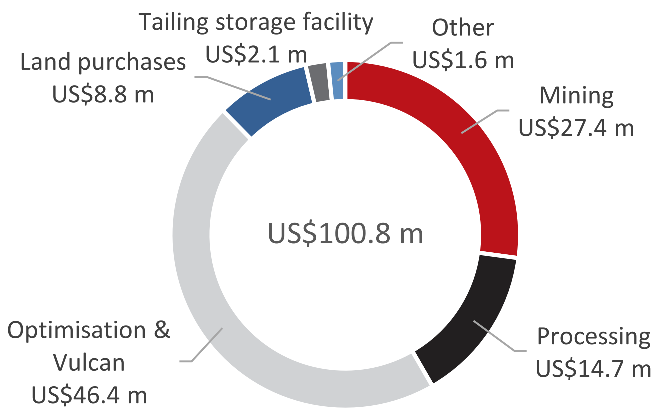
DEBT POSITION WITH TRADE FINANCE



DEBT CURRENCY SPLIT
(EXCLUDING TRADE FINANCE)



FY2021 PLANNED CAPEX



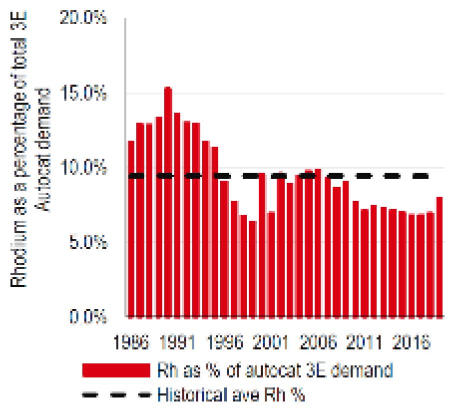
CONTINUED SUSTAINABLE INVESTMENT

tharisa

POSITIONING THARISA

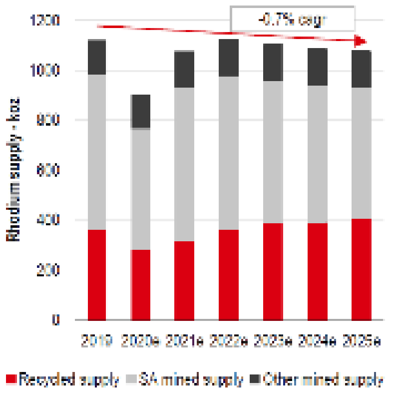
HEADWINDS FROM DEEP MINES TO MEET GROWING RHODIUM DEMAND

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



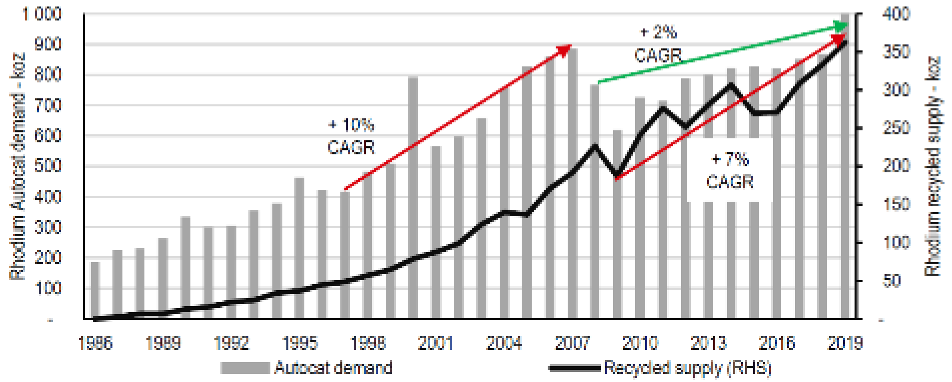
Source: Johnson Matthey, HSBC estimate (2020)

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



Source: HSBC estimates, Johnson Matthey

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

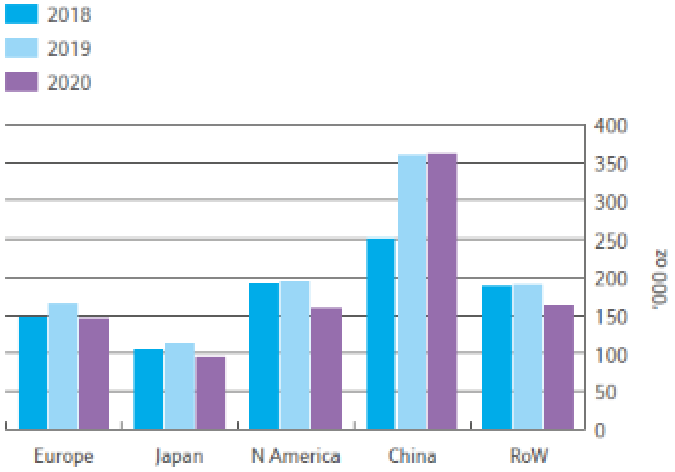


Source: Johnson Matthey

PRIMARY DEMAND OUTSTRIPPED BY PRIMARY SUPPLY

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

RHODIUM AUTOCATALYST DEMAND



Source: HSBC, JM

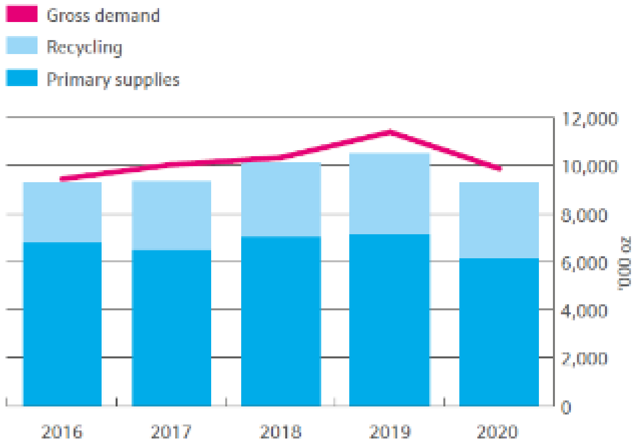
PALLADIUM AND PLATINUM OUTLOOK

PALLADIUM

GROSS DEMAND (2020)

- Autocatalyst 85.8%
- Jewellery 0.9%
- Industrial 15.1%

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



PLATINUM

GROSS DEMAND (2020)

- Autocatalyst 32.1%
- Jewellery 22.5%
- Industrial 31.9%
- Investment 13.1%

Source: BMO, Johnson Matthey, WPIC, SFA Oxford