tharisa

# THARISA PLC

Corporate Presentation
BMO Global Metals, Mining & Critical Minerals Conference

February 2023

enriching lives through innovating the resources company of the future

# CORNERSTONES OF OUR BUSINESS

1 LONG LIFE RESOURCES

2 SOCIAL COMMITTMENT

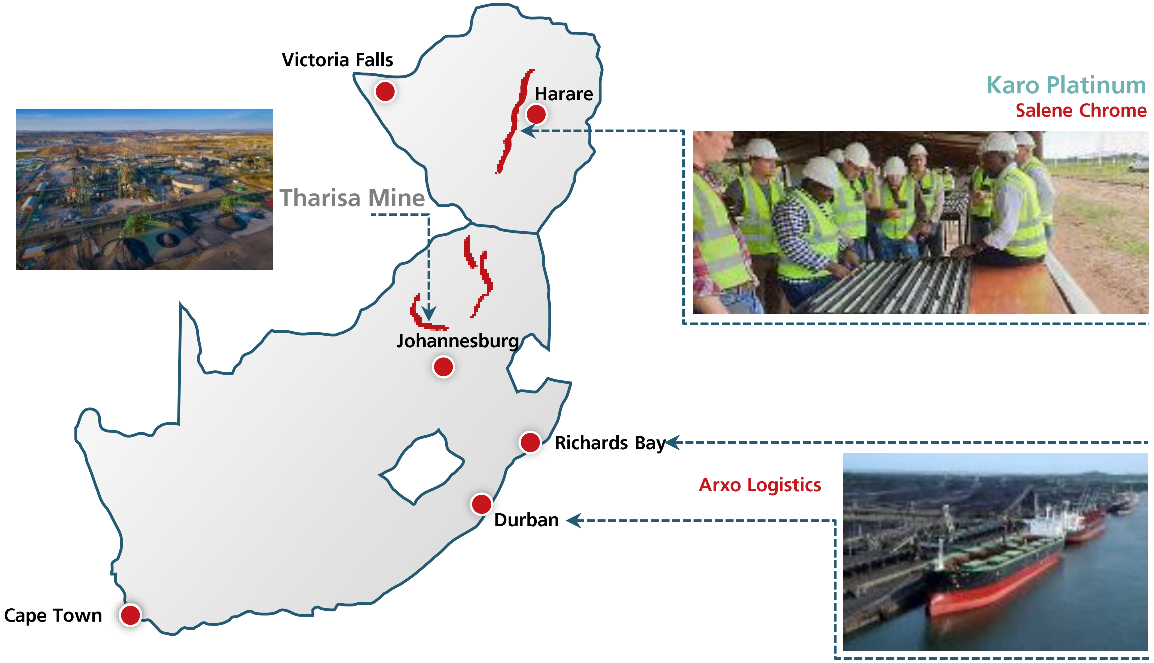
3 INNOVATIVE THINKING

4 PEOPLE

*Mineral Resource and Mineral Reserve Statement in 2022 Annual Report

# LONG LIFE PORTFOLIO

- Mineral Inventory of
- 849.6 Mt at Tharisa Mine
  - 18y open pit life at Tharisa Minerals
  - 40y underground LOM potential
- 152.1 Mt at Karo Platinum
  - 17y open pit life at Karo Platinum
  - Explored less than 10% of the 23 903 ha at Karo
  - Historical resource of 96.4 Moz (4E) in indicated and inferred from 868 Mt
- Control over our own resources with a pit to port strategy capturing value across the entire chain, from mining, processing, trading, logistics to end customer
- Multiple PGM and chrome products from our ore bodies ensuring revenue diversification and protection against commodity fluctuations



# OUR POSITIVE IMPACT

## JOB CREATION

- 3 965 employees at end September (Group employees and contractors)
- +100 jobs created in Zimbabwe and 100 contractors on site
- +22% female employees
- No days lost to industrial action
- Four year wage agreement ends in June 2024

## EDUCATION AND WELLNESS

- AET programmes on site for employees and communities - 48 learners in 2022
- Math and science programmes and internship programmes
- Enterprise and development programme, skills development programme
- Thusanang (“helping each other”) wellness programme

## ENVIRONMENT

- Planned 30% reduction in carbon footprint by 2030
- Carbon net neutral by 2050
- 40 MW solar plant awaiting regulatory approval
- First phase of 30 MW solar plant in Zimbabwe initiated building to 300 MW

## FISCAL IMPACT

- Foreign currency flow into South Africa of US$285.2 m (direct chrome exports)
- Global direct taxes and royalties paid of US$56.2 m
- Global indirect taxes paid of US$20.4 m

# AN ETHOS OF INNOVATION

+ Greenfield discovery to mine development
+ Pit to port strategy
+ Disciplined, sustainable growth

- Innovation is at the core of Tharisa's ethos
- Key strategic projects under R&D at AMBS
- Technology the key enabler for differentiation
- Energy storage solutions

**THARISA MINE**
MG reef open pit mine extraction of lower grade commodities = optimised mineral extraction

**CHALLENGER PLANT**
Increase specialty chrome production

**VOYAGER PLANT**
Large scale PGM and chrome plant – integrated process

**HIGH ENERGY FLOTATION PLANT**
Increase PGM recovery

**DC SMELTER**
Beneficiation of PGMs

**NEW APPLICATIONS**
Development of new applications for chrome

**VULCAN PLANT**
In house developed process for recovery of ultra fine chrome

# 4 PEOPLE

# RESOURCES COMPANY OF THE FUTURE

**849.6 Mt & 152.1 Mt**
IN MINERAL RESOURCE *

**40.5 Moz & 10.0 Moz**
IN CONTAINED PGMS (6E)*

**170.3 Mt**
IN CONTAINED $CR_2O_3$*

1

**INTEGRATED**
PGM and chrome co-producer - assets located in prime geological areas

2

**+17 YEAR**
LOM open pits
**+40 YEAR**
underground

3

**GROWTH**
pipeline to double PGM output

4

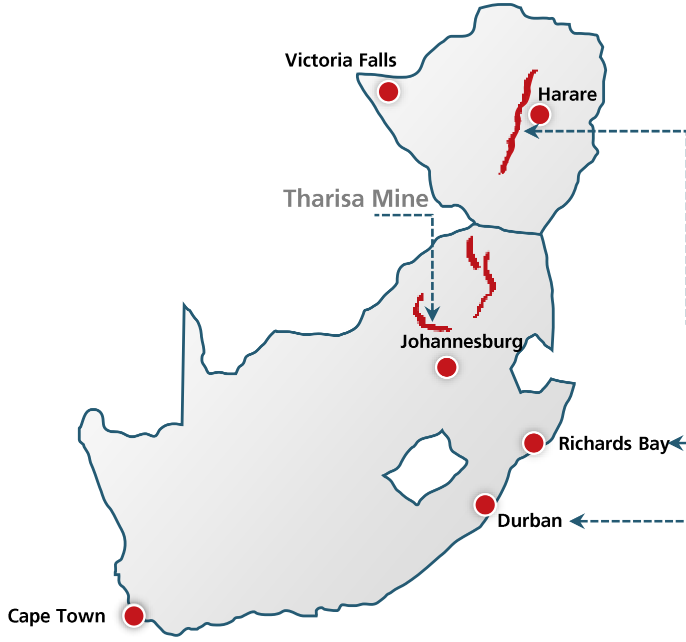
**R&D**
developing innovative end use products and technologies

5

**PROFITABLE**
throughout the cycle

6

**CONSISTENT**
dividend payer






*Mineral Resource and Mineral Reserve Statement in 2022 Annual Report

# THE RIGHT COMMODITY MIX

**US$2 196/oz**
SPOT PGM BASKET PRICE

**US$295/t**
SPOT MET GRADE PRICE

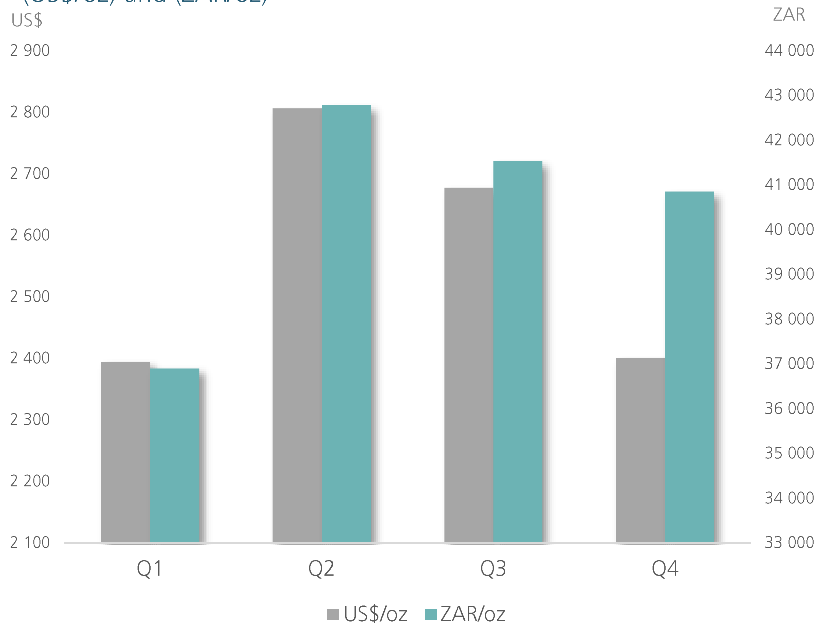
## PGMs

- Primary supply growth constraints
- Deficits in Rh, Pd to remain, Pt heading towards a deficit
- ICE remains a major demand driver despite EV development
- Growth of the hydrogen economy to drive demand

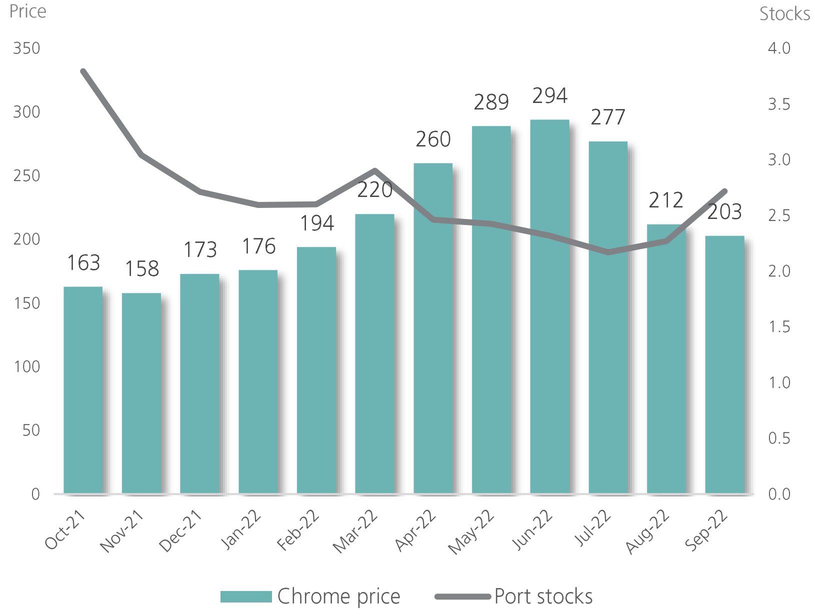
## CHROME

- Chrome prices remain resilient due to growing stainless steel demand
- South Africa supplies 80% of China's chrome requirement
- China has no chrome resources
- Tharisa supplies ~10% of China's chrome demand
- Specialty chrome 25% of output – premium pricing

PGM PRICING (FY2022)
(US$/oz) and (ZAR/oz)




METALLURGICAL GRADE PRICE & PORT STOCKS (FY2022)
(US$/t) and (Mt)



# FY2022 - THE VITAL NUMBERS

REEF MINED

5.50 Mt

up 2.3%

stripping ratio of 12.8 $m^3$:$m^3$

(2021: 5.38 Mt)

PGM PRODUCTION (6E)

179.2 koz

up 13.6%

recovery of 76.6%

(2021: 157.8 koz)

CHROME CONCENTRATE PRODUCTION

1.58 Mt

up 5.1%

recovery of 68.3%

(2021: 1.51 Mt)

REVENUE

US$686.0 m

up 15.0%

(2021: US$596.3 m)

OPERATING PROFIT

US$184.5 m

up 3.2%

(2021: US$178.8 m)

EBITDA

US$237.3 m

up 5.8%

(2021: US$224.3 m)

PROFIT BEFORE TAX

US$220.2 m

up 18.9%

(2021: US$185.3 m)

NET CASH FROM OPERATING ACTIVITIES

US$173.7 m

down 17.1%

(2021: US$208.4 m)

CASH AND CASH EQUIVALENTS

US$143.3 m

up 71.7%

(2021: US$83.4 m)

EPS

US 53.8 cents

up 44.1%

(2021: US 37.4 cents)

PROPOSED ANNUAL DIVIDEND*

US 7 cents

(2021: US 9 cents)

17.7% of NPAT**

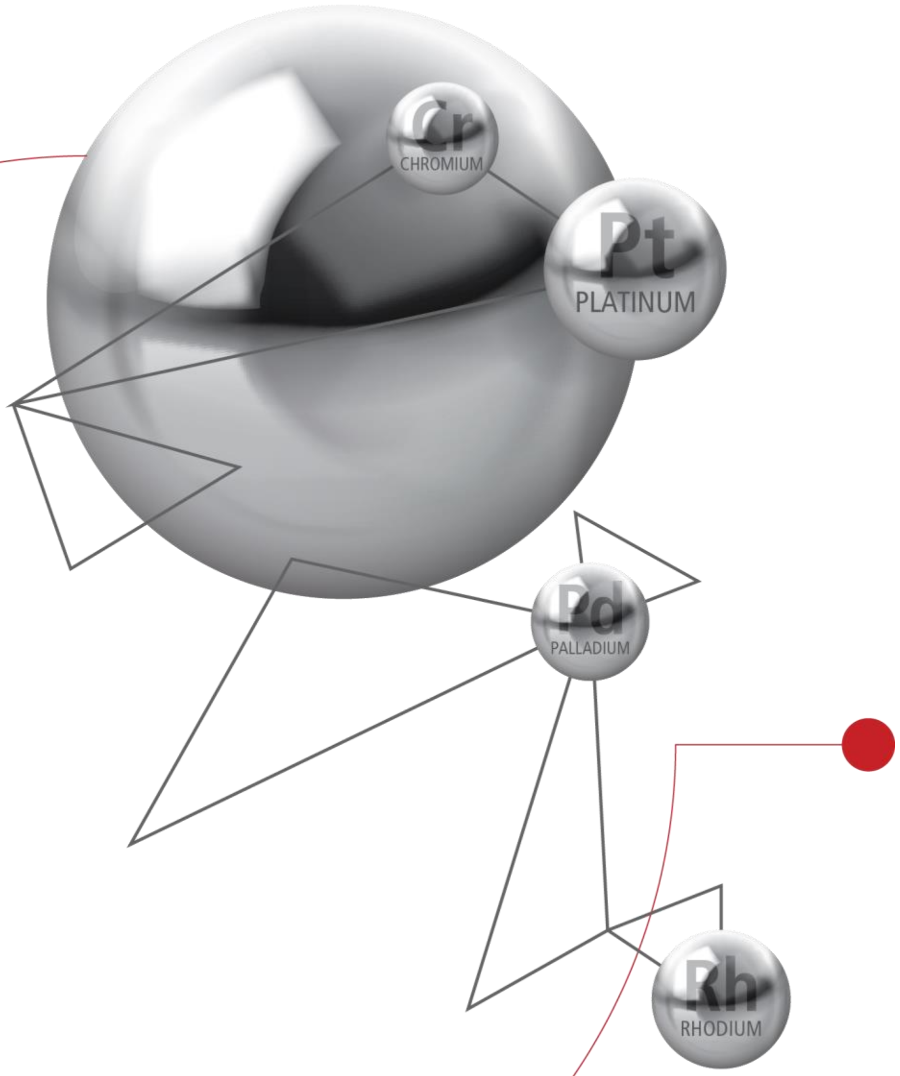
ROIC

23.5%

(2021: 25.5%)

*includes interim dividend of US 3 cents

**adjusted NPAT




tharisa

# VALUE PROPOSITION

# KARO PHASE ONE – INVESTMENT HIGHLIGHTS

| | |
|---|---|
| **Throughput** | 205 ktpm |
| **Avg. LOM 6E Production** | ~190 kozpa (first ore in mill exp. July 24) |
| **LOM** (Reserves M&I) | 17 years |
| **ROM grade** | 3.0 6E g/t (average)* |
| **Strip ratio** | 21.6 $m^3$:$m^3$ average over LOM |
| **Recovery** | 78% increasing to 82% |
| **Tax holiday** | 5 years from operations |
| **PGM basket price** | US$2,140/oz (6E)** (before refining costs) |
| **Base metal blended price** | US$15,099/t**(before refining costs) |
| **Cash cost** | US$1,096/PGM oz |
| **Cost to FOIM** | US$391 m |

**IRR**
26.1%

**ROIC**
30.1%

**$NPV_{10\%}$**
(INCL. IN SITU INFERRED RESOURCE)
US$686 m

**$NPV_{10\%}$**
(EXCL. IN SITU INFERRED RESOURCE)
US$413 m

- Located in a known mining jurisdiction with proven reserves and resources
  - *Open pit resource: 154 Mt containing 10.4 Moz at 2.1 g/t (6E)*
  - *Declared reserve: 35.5 Mt containing 2.6 Moz at 2.3 g/t (6E)*
- Material gold by-product from operations
- Long-life project amenable to open-pit operations
- Impactful investment with a first-mover advantage



**The above is premised per March 22 mine plan*
***Analyst sources: HSBC and Noah Capital (2023E)*
*#Excluding royalties and taxes*

# KARO + THARISA = KEY FUTURE SUPPLY

**LOM OPEN PIT FROM EACH OPERATION**

**+17 years**

**REEF MINED PER ANNUM**

**+7.5 Mt**

**PGMS PRODUCED PER ANNUM**

**~400 koz**

**CHROME PRODUCED PER ANNUM**

**+2 Mt**

**GROUP VALUE = CONSENSUS THARISA + KARO NPV***

**~US$1.3 billion**

*Attributable value*

| COMPARISON | UNIT | KARO PHASE 1* | THARISA OPEN PIT** |
|---|---|---|---|
| Open pit LOM | years | 17 | 18 |
| Resource ounces | 4E Moz | 96.4 | 31.3 |
| Reserve | Mt | 35.5 | 88.2 |
| Reserve ounces | 4E Moz | 2.5 | 3.1 |
| PGM production^ | kozpa | 194 | 200 |

**Phase 1 – 17 year open pit LOM*
*^FY2024 annualised production*
***2022 declaration – open pit only*

**ADVANCING OUR STRATEGIC COMMODITY PORTFOLIO**

# DELIVERING ON OUR STRATEGY

**Expand and roll out the business sustainably**

- Consolidated ownership of Tharisa Minerals
- Strategic second Tier 1 PGM resource for Tharisa Group

**Optimise existing operation**

- Organic growth in both PGMs and chrome at Tharisa Minerals
- Vulcan opportunity for cost reduction

**Continuing to invest in innovative thinking**

- Expansion of Arxo Metals beneficiation site
- Fast track development timeline at Karo – pilot concentrator operating
- Expand solar energy solutions and Tharisa and Karo

**Become a globally diversified business**

- Geographic diversification with Karo
- Higher base metal credits than Tharisa Mine operations

**Be the investment of choice in our chosen sector**

- Regular dividend payer
- Strong Karo project economics
- Strong cash flow generation at Tharisa and continuous investment

**Responsibly enrich the lives of all our stakeholders**

- Creation of new employment at Karo and continued employment at Tharisa
- Impact investment – upliftment of local communities and RSA/ Zimbabwean economy
- Production of PGMs used in autocatalysts and fuel cells (hydrogen economy)

# QUESTIONS

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