

# tharisa

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## NEWS RELEASE

7 April 2016

**Tharisa's second quarter mining and processing at steady state levels on an annualised basis**

### Highlights for the three months ended 31 March 2016

- Reef mined exceeding the annualised steady state required run rate of 4.8 Mtpa
- Mill throughput performing at nameplate design capacity
- Contained PGM production on a 6E basis met steady state production level

JOHANNESBURG, 7 April 2016 – Tharisa, South Africa's only PGM and chrome co-producer, recorded a number of milestone achievements during the three months ended 31 March 2016 as its mining and processing reached steady state levels on an annualised basis.

A continued focus on safety contributed to a significant reduction in safety related stoppages in Q2 FY2016 with a lost time injury frequency rate as at 31 March 2016 of 0.3 per 200 000 hours.

Second quarter milestones included (on an annualised basis) reef mined exceeding the steady state required run rate of 4.8 Mtpa, mill throughput performing at nameplate design capacity and contained PGM production on a 6E basis meeting the steady state production level.

*"We are very encouraged by the milestones achieved during this, our second quarter. Not only have we achieved improved production, we have exceeded previous records,"* said Tharisa CEO Phoevos Pouroulis.

Tharisa's mining operations are characterised by the shallow open pit, large scale co-production of PGMs and chrome concentrates with a consequential low cost of production.

Improvements in reef mined during the quarter resulted from a continued focus on opening up access to the full mining strike length and the benefits of maintaining the correct multi-reef layer profile. A focus on interburden stripping (rather than overburden stripping) contributed to improved ore exposure and feed grade flexibility during the quarter.

An increase in reef mined has allowed the mine to build ROM stockpiles ahead of the mills. This provides for improved reef layer blending and better feed grade consistency, resulting in improved plant recoveries and running times.

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Contained PGMs of 36.0 kt on a 6E basis for the quarter, on an annualised basis, equates to steady state production of 144.0 kozpa. Recoveries at 68.5% showed an improvement from the 65.8% reported at the year end, and put Tharisa on track to achieve its targeted recovery rate of 70% in the near term.

Weaker PGM and chrome prices during Q2 FY2016 were partially offset by the weakening of the South African Rand against the US dollar. Constrained by global macroeconomic conditions, the average PGM basket price for the quarter was US\$685 per ounce, while the rand basket price was R10 849 per ounce –an improvement of R984 per ounce on the average price achieved in Q1 FY2016.

The marked decline in the average metallurgical grade chrome concentrate price in Q2 FY2016 was primarily due to the slowdown in the Chinese economy and uncertainty around growth and consumption of raw materials. There has, however, been a marked improvement in metallurgical grade chrome prices post the quarter end as demand returns to sustainable levels.

During the quarter, Tharisa modified the chrome processing circuit at its Voyager Plant to increase production of higher value specialty grade chrome concentrates.

*“This flexibility has allowed chrome production to be distributed to more globally diversified markets. The circuit modification has resulted in improved chrome recoveries nearing the 65% target without impacting PGM recoveries”* said Pouroulis.

Pouroulis says the achievement of steady state production levels bodes well for Tharisa and reinforces the group’s place as a globally competitive low cost PGM and chrome co-producer and further entrenches its position as an operationally cash generative business throughout the commodity cycle.

*“This year’s plans to reach steady state have materialised within this quarter and we have made positive strides towards achieving the recoveries required to maintain those production levels”* he said.

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## About Tharisa

Tharisa is domiciled in the Republic of Cyprus as a public company limited by shares listed on the Johannesburg Stock Exchange. Tharisa is an integrated resources group incorporating mining, processing, beneficiation, marketing, sales and logistics of PGMs and chrome concentrate through its 74% interest in Tharisa Minerals (mining and processing) and its wholly-owned subsidiaries including Arxo Metals (processing and beneficiation), Arxo Logistics (logistics) and Arxo Resources (marketing and sales).

See <http://www.tharisa.com/> for more information.

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