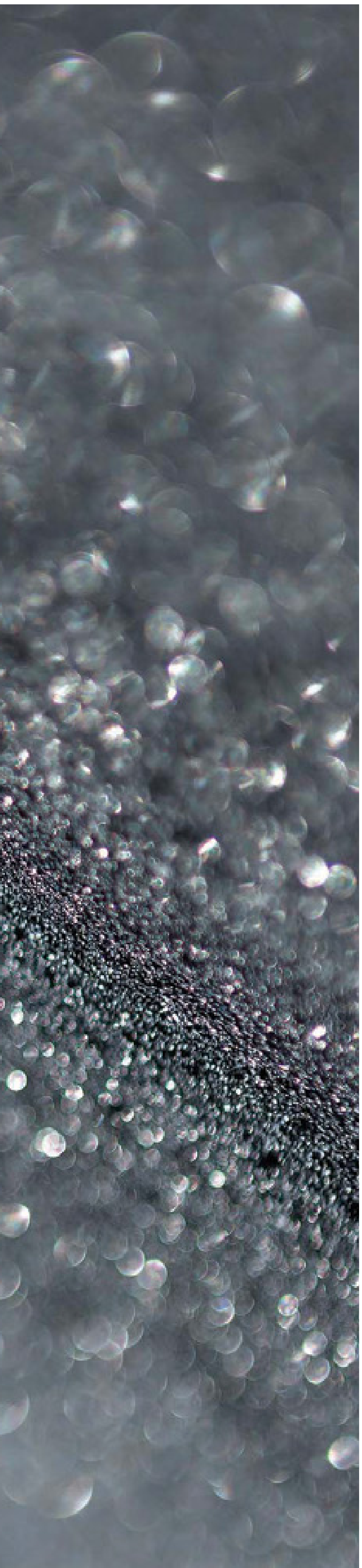
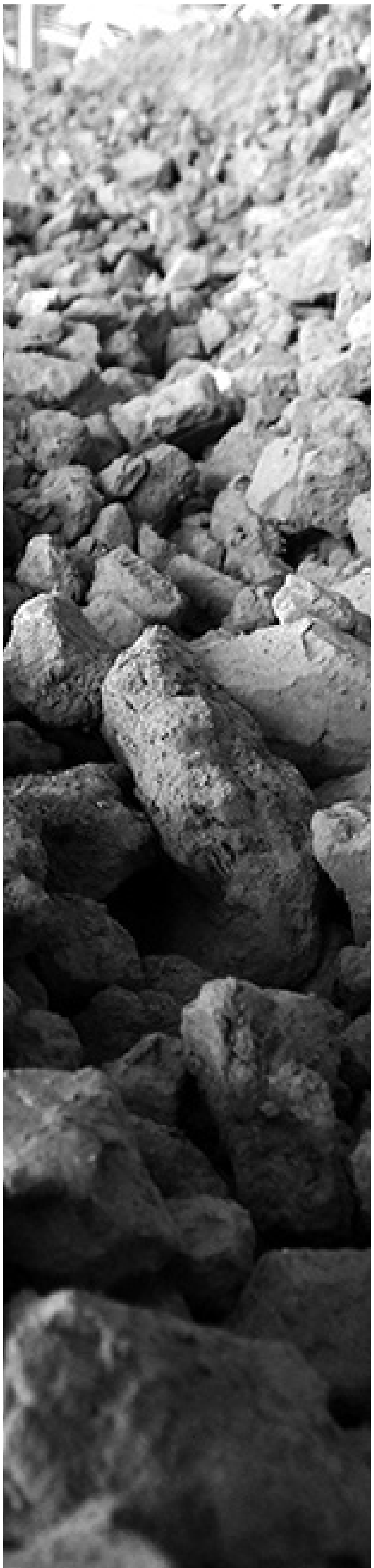
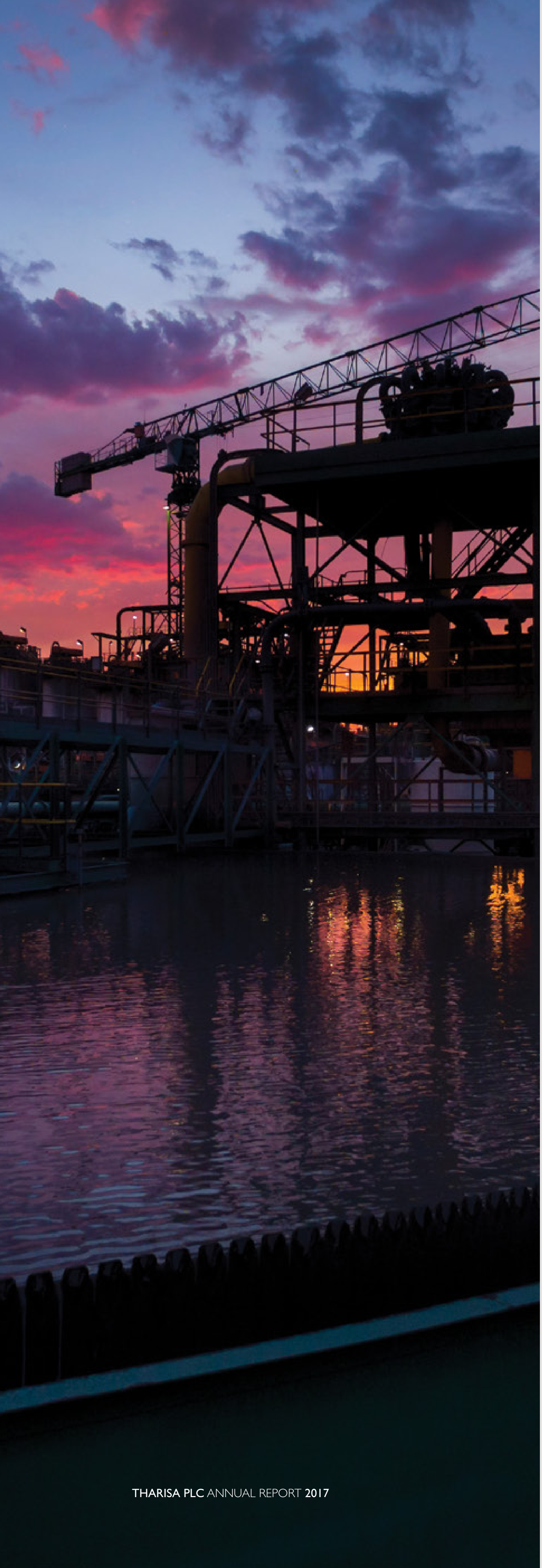
tharisa

ANNUAL REPORT 2017







CONTENTS

SCOPE AND BOUNDARY

Tharisa plc is pleased to present this, its fourth Annual Report since listing on the JSE and second since the secondary standard listing of its Depositary Interests on the LSE. This Annual Report presents the Group's operations in Cyprus, South Africa and Guernsey, as well as its governance, strategy, risks, opportunities and prospects. The report covers the financial year to 30 September 2017.

The approach in this Annual Report has been to explain to investors and stakeholders the fundamentals of Tharisa's operating context and business model, risks and strategic approach towards value creation to enable them to make a more informed assessment of Tharisa and its prospects and the sustainable value it creates. The Annual Report presents a concise view of the Company, its progress and strategy, with readers directed to relevant sections on the Company'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.

Tharisa applies the principles of King IV to its decision-making, strategy formulation and implementation and 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.

The Board acknowledges its responsibility for ensuring the integrity of this Annual Report. The Audit Committee recommended the 2017 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 92 to 102 of this Annual Report and consolidated annual financial statements on the 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 on pages 119 to 124.

INTRODUCTION

Tharisa is an integrated resources group incorporating mining, processing, and the beneficiation, marketing, sales and logistics of PGM and chrome concentrates. The Group is targeting production of 200.0 koz of PGMs and 2.0 Mt of chrome concentrates by 2020

MISSION

To maximise shareholder returns through innovative exploitation of mineral resources in a responsible manner

VALUES

- The safety and health of our people is a priority
- We take responsibility for the effect that our operations may have on the environment
- 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

STRATEGIC INITIATIVES

- Implementation of **optimisation** initiatives to maximise value extraction
- Growth through **innovative** research and development
- To **generate value** by becoming a globally significant low cost producer of strategic commodities
- **Leveraging** off the established platform for expansion into multi-commodities with geographic diversity
- **Capital discipline** with an improved annual dividend policy of at least 15% of NPAT and capital allocation to low risk projects

GROUP STATISTICS

		2017	2016	2015	2014	2013
Reef mined	kt	**5 025.1**	4 837.2	4 183.2	3 908.5	3 305.6
Stripping ratio	m^3 waste: m^3 reef	**7.5**	7.3	10.7	10.6	8.4
Reef milled	kt	**4 916.2**	4 656.3	4 400.4	3 913.1	3 865.7
PGM flotation feed	kt	**3 599.2**	3 575.6	3 446.2	3 060.4	2 894.2
PGM rougher feed grade	g/t	**1.56**	1.65	1.62	1.63	1.41
PGM ounces produced	5PGE + Au koz	**143.6**	132.6	118.0	78.2	57.4
PGM recovery	%	**79.7**	69.9	65.8	48.8	43.7
Average PGM basket price	US$/oz	**786**	736	885	1 103	1 132
Average PGM basket price	ZAR/oz	**10 492**	10 881	10 593	11 622	10 617
Cr_2O_3 ROM grade	%	**17.8**	18.0	18.3	19.4	20.7
Chrome concentrates produced	kt	**1 331.2**	1 243.7	1 122.2	1 085.2	1 192.8
Metallurgical grade	kt	**1 008.1**	974.3	1 009.4	937.0	1 130.3
Specialty grades	kt	**323.1**	269.4	112.8	148.2	62.5
Chrome recovery	%	**64.1**	62.7	58.0	59.4	n/a
Chrome yield	%	**27.1**	26.7	25.5	27.7	30.9
Metallurgical grade chrome concentrate contract price	US$/t CIF China	**200**	120	158	158	165
Metallurgical grade chrome concentrate contract price	ZAR/t CIF China	**2 667**	1 751	1 903	1 676	1 546
Average exchange rate	ZAR:US$	**13.4**	14.8	12.0	10.6	9.2
Group revenue	US$ million	**349.4**	219.6	246.8	240.7	215.5
Gross profit	US$ million	**122.7**	54.5	43.1	32.6	25.9
Net profit/(loss) for the year	US$ million	**67.7**	15.8	6.0	(54.9)	(47.4)
EBITDA	US$ million	**115.6**	43.0	29.0	16.5	13.9
Headline profit/(loss)	US$ million	**57.8**	14.3	4.7	(48.9)	(46.8)
Headline earnings/(loss) per share	US$ cents	**22**	6	2	(20)	(19)
Gross profit margin	%	**35.1**	24.8	17.5	13.5	12.0
Net cash flows from/(used in) operating activities	US$ million	**73.2**	22.2	41.4	22.4	(3.0)
Net debt	US$ million	**(0.1)**	41.4	40.7	66.5	105.9
Capital expenditure*	US$ million	**26.4**	12.3	24.6	24.3	24.3
On-mine lost time injury frequency rate**		**0.07**	0.36	0.06	0.14	0.14
On-mine employees including contractors		**2 256**	2 187	2 000	1 938	1 688
Other Group employees		**75**	52	59	66	67

* *No deferred stripping in 2017 (2016: US$2.4 million)*

** *Per 200 000 man hours worked*

HIGHLIGHTS

REEF MINED
up 3.9%
5.0 Mt
(2016: 4.8 Mt)

PGM PRODUCTION
(5PGE + Au)
up 8.3%
143.6 koz
(2016: 132.6 koz)

CHROME CONCENTRATE PRODUCTION
up 7.0%
1.3 Mt
(2016: 1.2 Mt)

REVENUE
up 59.1%
US$349.4m
(2016: US$219.6m)

OPERATING PROFIT
up 198.4%
US$95.9m
(2016: US$32.1m)

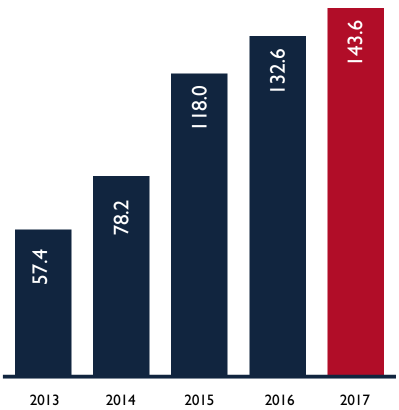
EBITDA
up 168.7%
US$115.6m
(2016: US$43.0m)

PROFIT BEFORE TAX
up 314.2%
US$91.0m
(2016: US$22.0m)

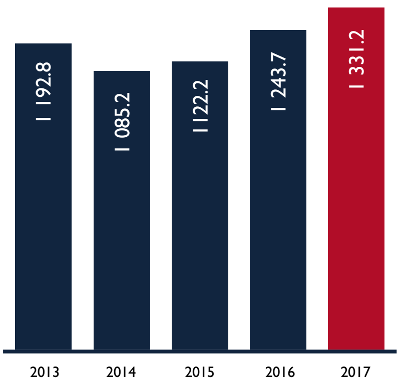
HEADLINE EARNINGS PER SHARE
up 266.7%
US$ 22 cents
(2016: US$ 6 cents)

PROPOSED DIVIDEND TO SHAREHOLDERS
US$ 5 cents
(2016: US$ 1 cent)

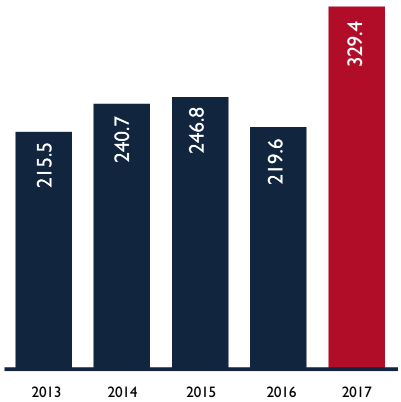
PGM PRODUCED (5PGE+AU koz)



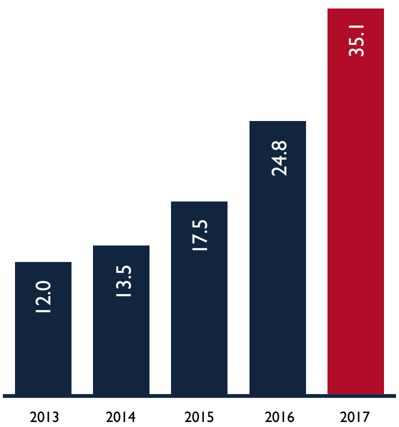
CHROME CONCENTRATE PRODUCTION (kt)



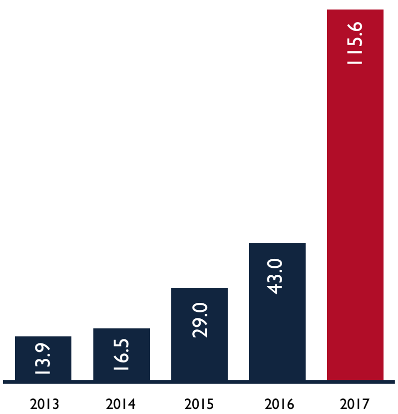
GROUP REVENUE (US$ million)



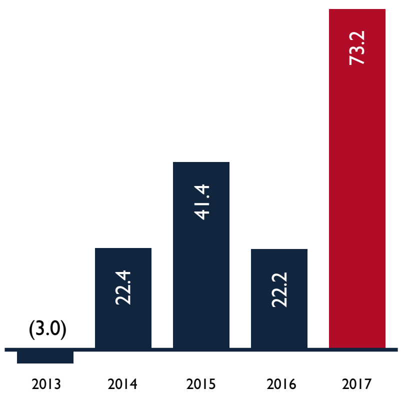
GROSS PROFIT MARGIN (%)



EBITDA (US$ million)

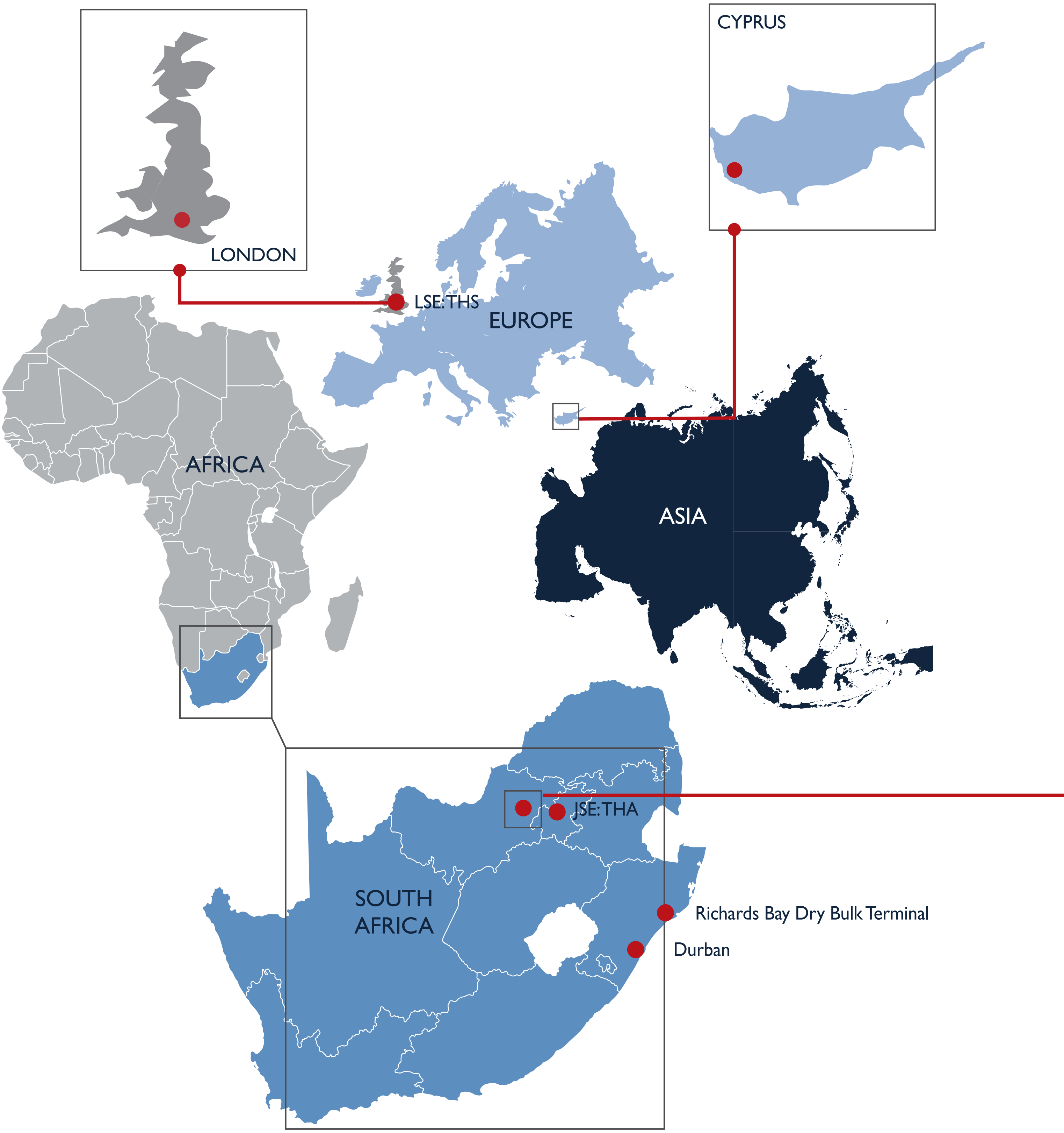


NET CASH FLOWS FROM OPERATING ACTIVITIES (US$ million)



GROUP OVERVIEW

GEOGRAPHICAL LOCATION AND GLOBAL REACH



GROUP STRUCTURE

INVESTMENT HOLDING COMPANY

Tharisa plc
(Cyprus)

TRADING AND SERVICE PROVIDER COMPANIES

Arxo Resources
(Cyprus)
100%
Arxo Resources markets and sells metallurgical and chemical grade chrome concentrate to customers primarily in Asia.

Arxo Logistics
(South Africa)
100%
Arxo Logistics manages rail and road distribution of PGM concentrate and chrome concentrates produced by the Tharisa Mine to international customers via port facilities in Richards Bay and Durban for shipment and to customers in South Africa. The business has been expanded to third party logistics services and it is currently providing logistical services to Lonmin's K3 UG2 chrome plant.

OPERATING/PRODUCING COMPANIES

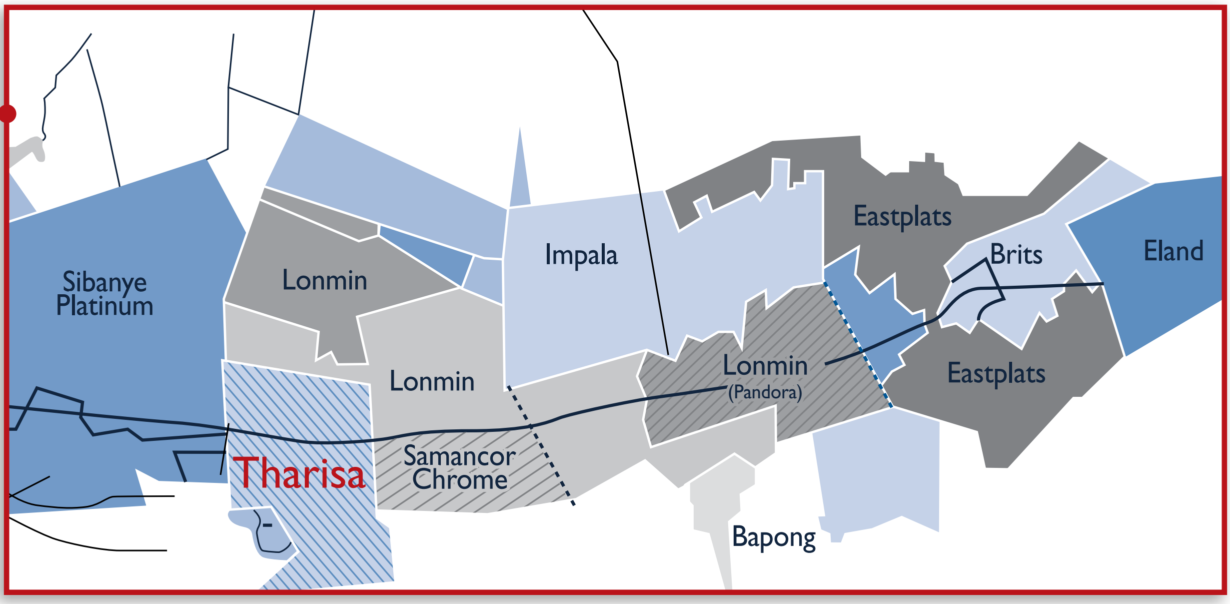
Arxo Metals
(South Africa)
100%
Arxo Metals produces specialised higher margin chemical and foundry grade chrome concentrates, operates Lonmin's K3 UG2 chrome plant in Rustenburg and is the Group's research and development arm. It is commissioning a 1MW DC furnace to produce PGM-rich metal alloys on a pilot scale.

Tharisa Minerals
(South Africa)
74%
Tharisa Minerals produces PGM concentrate and metallurgical and chemical grade chrome concentrates from a shallow open pit mine near Rustenburg, North West Province.
The Genesis and Voyager Plants have a combined design capacity of 4.8 Mt of ROM ore per annum.

BEE SHAREHOLDERS

Thari Resources
(South Africa)
20%

The Tharisa Community Trust
(South Africa)
6%

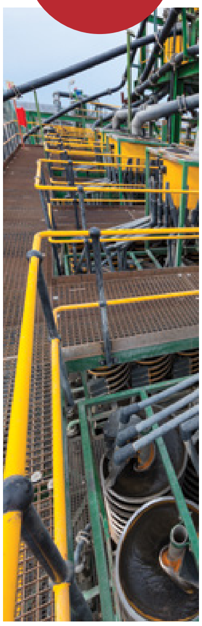


THARISA'S HISTORY

THARISA PLC

PRIOR TO ACQUISITION OF THARISA MINERALS

2006



FEBRUARY
Prospecting rights granted

MARCH
Tharisa Minerals incorporated

2008

FEBRUARY
Tharisa Limited was incorporated

APRIL
Consent received from DMR to acquire a 74% shareholding in Tharisa Minerals

SEPTEMBER
Mining rights granted

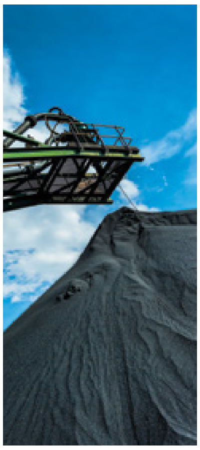
OCTOBER
Commenced trial mining

DECEMBER
US$65 million seed capital raising

2009

MARCH
Acquired a 74% shareholding in Tharisa Minerals

NOVEMBER
Commenced production of chrome concentrate



2010

2011

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

APRIL
US$150 million pre-listing capital raising

AUGUST
Genesis Plant is commissioned at 100 ktpm capacity

AUGUST
Tharisa Community Trust is registered

NOVEMBER
Community Trust acquires 6% of Tharisa Minerals

2012

FEBRUARY
Secured project developers finance facility of ZAR1 billion

MAY
First bulk rail shipment

JULY
Improved PGM off-take agreement with Impala Platinum, Tharisa Minerals water use license is granted

DECEMBER
Voyager Plant is commissioned

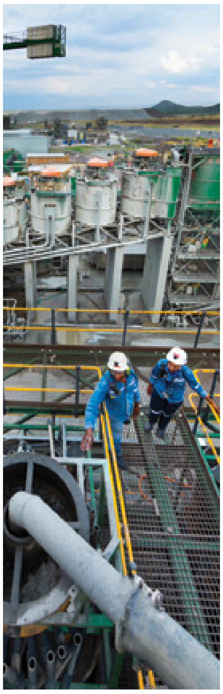
PRIOR TO ACQUISITION BY THARISA PLC

THARISA MINERALS

> "Tharisa plans to produce 150.0 koz of PGMs and 1.4 Mt of chrome concentrates in FY2018. The Group's vision for 2020 is to produce 200.0 koz of PGMs and 2.0 Mt of chrome concentrates."

2013

JULY
Challenger Plant is commissioned

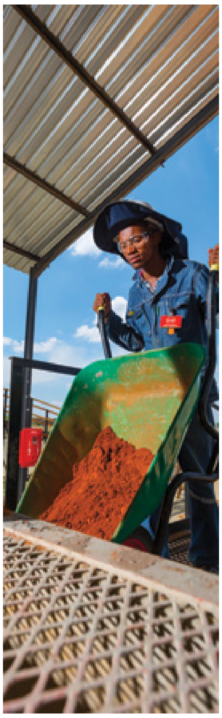


2014

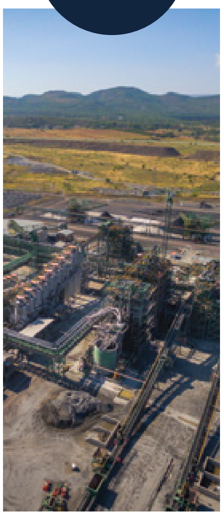
APRIL
Listed on JSE capital raised of US$47.9 million

SEPTEMBER
Commissioning of high energy PGM flotation circuit

2015



2016



MARCH
Annualised steady state of mining and PGM production

JUNE
Listed on LSE

NOVEMBER
Project completion achieved maiden distribution to shareholders proposed

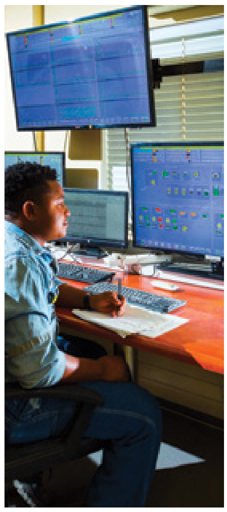
2017

Record financial and operational year

Increased dividend

Initiates transfer to owner mining operating model

Secures first third party trading agreement



INVESTMENT CASE

POSITIONED FOR GROWTH

Tharisa is an integrated mining company that uses a unique approach through innovation and technology to co-produce PGM and chrome concentrates in South Africa. It offers direct access to the only JSE- and LSE-listed co-producer with an integrated marketing, sales and logistics platform.

The Group's key differentiators are that it has a large-scale open pit resource that allows for the extraction of five MG Chromitite Layers. The Tharisa Mine, located in the South African Bushveld Complex, which is the world's largest PGM deposit, taps into one of the world's largest single chrome resources at 867.5 Mt.

The Tharisa Mine has a 17-year life of mine and the ability to extend operations underground by a further 40 years. The open pit is planned with a strike length of 5 km and a highwall height of approximately 200 m. The mine produced 143.6 koz of PGMs and 1.3 Mt of chrome concentrates in FY2017 and has provided FY2018 production guidance of 150.0 koz PGMs and 1.4 Mt chrome concentrates, of which 350.0 kt will be specialty grade chrome concentrates. The Group is targeting production of 200.0 koz of PGMs and 2.0 Mt of chrome concentrates by 2020.

The mechanised nature of the open pit operation has ensured that the operations remain within the lower cost quartile of PGM and chrome producers. Tharisa Minerals has a skilled labour force comprising of approximately 1 700 employees including mining contract labour. This number includes approximately 900 employees who, subsequent to the financial year end, were transferred from MCC, the contractor previously deployed at the Tharisa Mine until 30 September 2017.

The use of a mining contractor was optimal during the development of the operations, but after reaching steady state mining and production in FY2016, Tharisa Minerals believed it would be beneficial to switch operating models so that it could have more direct control over its mining operations. The transition involved the acquisition of drill rigs, excavators and a mining fleet from MCC supplemented by the purchase of additional equipment. The purchase of this fleet, as well as the cession and assignment of certain equipment leases was effective as of 1 October 2017.

Tharisa Minerals has two independent processing plants with a combined 4.8 Mtpa 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 shutdown without impacting the entire operation.

PGM concentrate is sold to Impala Platinum under an off-take agreement as well as to Lonmin under a research and cooperation agreement.

The Group has a marketing platform for the sale of its metallurgical chrome concentrates to end-users, stainless steel producers and global commodity traders. Metallurgical chrome concentrate is mainly shipped to China where it is consumed primarily by the stainless steel industry. Specialty chrome concentrates, which include chemical and foundry grades, are sold into European and Asian markets via Rand York Minerals. Production of specialty grade chrome concentrate made up 24.3% of the year's total chrome production.

In FY2017, metallurgical chrome exports represented 10.9% of South Africa's chrome exports to China and 7.8% of Chinese global chrome imports.

The Group has spent the last decade developing the Tharisa Mine and optimising the technology used to produce PGM and chrome concentrates on a co-product basis. In FY2017 the Group grew its business by taking over the operation and management of a third plant and secured the marketing and sales agencies for third party products. In addition, the Group continues to maximise the revenue from its products and is currently commissioning a 1 MW furnace for the production of a PGM-rich alloy. These approaches both tap into Tharisa's technological expertise, providing scalability and efficiencies across the Group's value chain. The Group is committed to further organic growth through innovation and it continues to assess value-accretive opportunities.

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

COMPETITIVE STRENGTHS

Tharisa is uniquely positioned through its:

- shallow and large-scale PGM and chrome resource, one of the world's single largest chrome resources, enabling Tharisa to be a large-scale producer for several decades
- mining of five MG Chromitite Layers allowing for the co-production of PGM and chrome concentrates
- independent processing plants providing operational flexibility
- capacity to produce metallurgical and higher margin chemical and foundry grade concentrates for different markets
- position in the lowest cost quartile of the PGM and chrome concentrate cost curves underpinned by low risk mining and beneficiation processes
- mechanised operations and skilled labour force
- direct relationships with South African and international customers
- integrated marketing, sales and logistics platforms
- extensive industry and management experience with a successful track record of identifying, developing and operating open pit and underground mining operations
- pioneering innovative and unique approach to viable mineral extraction and beneficiation

LEADERSHIP REVIEW

> "The maturation of the business beyond the development stage has positioned the Group for its next phase of growth. Not only is the focus on continuous improvements in feed grade and recoveries, but on expanding the business through the implementation of the Vision 2020 expansion and the operation of third party plants and the marketing of these commodities."

Loucas Pouroulis
Executive Chairman

Phoevos Pouroulis
Chief Executive Officer

Michael Jones
Chief Finance Officer

Dear Stakeholder

In compiling this report we have been guided by materiality so that we report concisely on those issues most material to our stakeholders and our ongoing ability to create value. More detailed information is available on our website, www.tharisa.com.

FY2017 was a year of record production and profitability notwithstanding the muted PGM basket price and volatility of spot chrome concentrate prices. It was also a year of leveraging the business model with third party agency and trading activities.

Tharisa Minerals mined 5.0 Mt of ore during the year, exceeding the required mining call rate for the nameplate capacity of our processing plants. This resulted in PGM production of 143.6 koz of contained PGMs and production of 1.3 Mt of chrome concentrates. Of the chrome concentrates, 323.1 kt comprised high value specialty grade products.

PGM prices remained muted during the year showing a marginal increase of US$50 per PGM basket ounce despite the rally in the palladium price, which has recently surpassed and maintained levels above the prevailing platinum price. Tharisa witnessed history in the first half of FY2017 with record prices for metallurgical chrome concentrates being achieved at approximately US$390/t. There was however limited liquidity and an underestimated global supply side response which displaced a large portion of South Africa's market share. Prices subsequently declined to levels as low as US$130/t mainly on the back of accumulated inventory levels. Post the half-year we saw a recovery in the spot metallurgical grade chrome prices delivered to China due to increased demand for stainless steel and excess inventories being absorbed in the normal course. The average metallurgical chrome contract price achieved was US$200/t CIF China for FY2017.

Operating profit for the year amounted to US$95.9 million (2016: US$32.1 million), with a net profit after tax of US$67.7 million (US$15.8 million) generating HEPS of US$ 22 cents (US$ 6 cents).

In the year under review, Tharisa initiated the transition to owner mining. Towards the latter part of the year, the business was further expanded to include third party plant operation and sales thereby improving profitably through further economies of scale.

It is the Group's policy to pay a minimum of 10% of its consolidated net profit after tax as a dividend, and the directors are pleased to announce that based on the improved earnings, subject to the necessary shareholder approvals, the Board has proposed a dividend to shareholders of US$ 5 cents per share (2016: capital distribution of US$ 1 cent) equating to 19.2% of its consolidated net profit after tax.

Furthermore, Tharisa is pleased to notify its shareholders that the dividend policy for FY2018 will be changed to provide for a payout of at least 15% of consolidated net profit after tax, an increase from the previous stated dividend policy of at least 10% of consolidated net profit after tax. The Company also intends to introduce the payment of an interim dividend.

The Company's dividend policy takes into consideration various factors, including overall market and economic conditions, the Group's financial position, capital investment plans as well as earnings growth.

SAFETY

Safety remains a priority at Tharisa which achieved a fatality free year and, at 30 September 2017, our LTIFR per 200 000 hours worked at the mine was 0.07.

We are pleased to advise that no safety related stoppages were incurred in the year, highlighting Tharisa Mineral's emphasis on safety as well as the improved relationship with the DMR inspectorate.

LEADERSHIP REVIEW CONTINUED

We continue to strive for a zero harm work environment and in line with the DMR's drive to minimise all injuries within the South African mining industry, the Group remains committed to ensuring a safer workplace. To that end it is pleasing to report that Tharisa Minerals was awarded three safety awards in 2017. These include the Best Safety Performance and Best Improved Performance awards at Mine Safe 2017, and an award from the Mine Health and Safety Council's for 2 000 fatality free production shifts.

OPERATIONAL OVERVIEW

A number of milestones were achieved during the financial year including:

- 5.0 Mt reef mined, an increase of 3.9%
- 4.9 Mt milled, an increase of 5.6%
- 143.6 koz 5PGE+Au contained PGM production, up by 8.3%
- 79.7% overall PGM recovery, an increase of 14.0%
- 1.3 Mt production of chrome concentrates, up by 7.0%
- 64.1% chrome recovery, an increase of 2.2%
- 323.1 kt specialty grade chrome production, an increase of 19.9%

MINING

Reef mined exceeded the volumes required to meet production targets in FY2017. Mining focused on extracting the optimal reef horizon mix for feed into the plants with particular attention on the feed grades. In addition, overburden exposed by the planned pit extension following the road diversion was mined. It is planned that the stripping ratio will normalise to above the LOM stripping ratio of 9.6 m^3:m^3 in FY2018 from the 7.5 m^3:m^3 achieved in the current year.

A total of 5.0 Mt of reef was mined ensuring a constant feed of material into the plants while increasing the run of mine (ROM) ore stockpile ahead of the plants to 307.7 kt thereby further derisking the operations. The intention is to increase the ROM ore stockpile to at least one month of plant throughput (400 kt). During the financial year Tharisa Minerals acquired a drilling sub-contractor's business to start in-sourcing the drilling operations and, as an owner operator, focus on improving ROM grades and fragmentation.

Subsequent to the financial year end, Tharisa Minerals acquired the mining fleet from its mining contractor and successfully transitioned from a contractor mining model to an owner mining model.

PROCESSING

Plant throughput at 4.9 Mt, exceeded nameplate capacity for the first time and is attributable to consistent feed and preventative maintenance resulting in improved plant availability and utilisation. A high energy PGM flotation circuit was integrated into the Genesis Plant to further increase recoveries. The circuit was commissioned in August 2017 and followed the successful integration of a high energy PGM flotation circuit at the Voyager Plant.

With a PGM rougher feed grade of 1.56 g/t and recoveries improving to 79.7% (target of 80%), PGM production (5PGE + Au) at 143.6 koz improved by 8.3%. Chrome feed grade was 17.8% and with chrome recoveries improving to 64.1% (target 65%), chrome concentrate production increased by 7.0% to 1.3 Mt. The production of specialty grade chrome concentrates of 323.1 kt increased 19.9% and constitutes approximately 24.3% of total chrome concentrate production. Specialty grade chrome concentrates continue to command on average a US$50/t premium on a CIF China equivalent basis over standard metallurgical grade chrome concentrates.

Arxo Metals entered into an operating, sales and marketing agreement with Western Platinum, a subsidiary of Lonmin, to operate their K3 UG2 chrome concentrator plant. The handover date was 28 August 2017 and during the short time under the Group's control 20 kt of chrome concentrate was produced.

COMMODITY MARKETS AND SALES

		30 September 2017	30 September 2016	Change %
PGM basket price	US$/oz	**786**	736	6.8
PGM basket price	ZAR/oz	**10 492**	10 881	(3.6)
42% metallurgical grade chrome concentrate contract price	US$/tonne	**200**	120	66.7
42% metallurgical grade chrome concentrate contract price	ZAR/tonne	**2 667**	1 751	52.3
Exchange rate (average)	ZAR:US$	**13.4**	14.8	9.5

Tharisa Minerals continues to supply the majority of its PGM concentrate to Impala Platinum in terms of its off-take agreement with the balance of the PGM concentrates to be processed in the 1MW research and development furnace that was recently commissioned by Arxo Metals and then sold to Lonmin.

A total of 143.5 koz of contained PGMs (on a 5PGE + Au basis) was sold during the year. This is an increase of 8.3% over the previous year's sales of 132.9 koz of contained PGMs (on a 5PGE + Au basis).

The PGM prill split by mass is as follows:

	30 September 2017	30 September 2016
Platinum	**55.2%**	55.9%
Palladium	**16.1%**	16.1%
Rhodium	**9.5%**	9.4%
Gold	**0.2%**	0.2%
Ruthenium	**14.3%**	13.9%
Iridium	**4.7%**	4.5%

Tharisa Minerals is paid a variable percentage of the market value of the contained PGMs in terms of an agreed formula. The PGM basket price improved with the average PGM basket price per ounce increasing by 6.8% to US$786/oz (2016: US$736/oz) for the financial year.

Chrome concentrate sales totalled 1.3 Mt, 321.5 kt of which was higher value-add specialty chemical and foundry grade chrome concentrates with the bulk of the sales being metallurgical grade chrome concentrate. The average price for metallurgical grade chrome concentrate on a CIF main ports China basis increased to US$200/t.

Chemical and foundry grade chrome concentrates produced by Tharisa Minerals and Arxo Metals are sold to Rand York Minerals in terms of an off-take agreement which provides for a joint marketing arrangement of the product.

LOGISTICS

		30 September 2017	30 September 2016	Change %
Average transport cost per tonne of chrome concentrate – CIF China basis	US$/tonne	**52**	42	23.8
Chrome concentrates shipped	kt	**995.8**	923.1	7.9

The chrome concentrates destined for main ports China were shipped either in bulk from the Richards Bay Dry Bulk Terminal or via containers and transported from Johannesburg by road to Durban from where it was shipped. The economies of scale and in-house expertise have ensured that our transport costs, a major cost of the group, remain competitive.

Arxo Logistics has sufficient storage capacity at both the Richards Bay Dry Bulk Terminal and the Durban container port to manage Tharisa Minerals' full production capacity.

A total of 995.8 kt (2016: 923.1 kt) of chrome concentrates was shipped by Arxo Logistics in FY2017 mostly to main ports in China. Of this, 98% was shipped in bulk, with bulk shipments being preferred by customers due to ease of handling and reduced port charges, as well as reduced levels of administration.

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

Negotiations regarding a planned public-private partnership for an on-site railway siding at the Tharisa Mine are continuing and final commercial terms are still to be agreed. This will not only improve efficiencies and costs, but will also improve safety and alleviate environmental impacts by reducing road freight haulage.

LABOUR RELATIONS

Labour relations at the Tharisa Mine remained stable during the year. Tharisa's employees have traditionally been represented by the NUM with 56% of the employees in the bargaining unit represented by them. Post the year end, approximately 900 employees were transferred from the mine's former contractor, bringing Tharisa Minerals' total staff complement to approximately 1 700.

SUSTAINABILITY

Sustainability is at the heart of the business model. Tharisa is proud of its track record in minimising the environmental impact and, while striving to improve further, takes pride in the mature and mutually beneficial relationships with the communities that border the Tharisa Mine.

Tharisa Minerals not only understands its obligations to create social capital as enshrined in the MPRDA, but strives to achieve these obligations in ways that create ongoing sustainable social capital. Its commitment to the neighbouring communities is evidenced in all aspects of the business, not only from the corporate social initiatives and local economic development plans but also underpinned by equity ownership by the community in Tharisa Minerals.

Tharisa has policies in place to ensure that neither it nor its suppliers participate in any form of human rights violation, including human trafficking and modern slavery.

Tharisa acts ethically and with integrity in all business dealings and is committed to ensuring systems and controls are in place to safeguard against corruption.

LEADERSHIP REVIEW CONTINUED

Sustainability aspects	Tharisa's sustainability framework
Environment	• EIAs, EMP and compliance reports • Environmental measures Refer to the Environment section of Sustainability Review on page 44
Employees	• Gender equality (women represent 18% of workforce) • Health and safety policies and training • Trade union recognition Refer to the Human Resources section of Sustainability Review on page 42
Social development	• Community ownership in mine • Community forums • CSI Refer to the Social development section of Sustainability Review on page 48
Human rights	• Policy on the human rights trafficking and modern slavery • Monitoring of suppliers See www.tharisa.com
Anticorruption	• Policy on bribery and corruption • Ethics hotline See www.tharisa.com

FINANCIAL OVERVIEW

The financial results of the Group were characterised by two key financial trends, the first being the volatility in the metallurgical grade chrome concentrate market with an average price per tonne of US$200 being achieved (on a CIF main ports China basis) being a 66.7% increase compared to the prior period and secondly the strengthening of the ZAR by 9.5% impacting on the cost base of the Group which, other than for freight costs, is largely ZAR denominated.

Group revenue totalled US$349.4 million (2016: US$219.6 million), an increase of 59.1% relative to the prior year. The increase in revenue is mainly attributable to the chrome segment with the metallurgical grade chrome concentrate price increasing by 66.7% from an average of US$120/t to US$200/t, with the speciality grade chrome concentrates continuing to trade at a premium of at least US$50/t on a CIF China equivalent basis.

On a segmental basis the increase in revenue is as a result of:

- An increase in the unit sales of PGMs by 7.4% from 132.9 koz to 143.5 koz with an increase in the PGM basket price by 6.8% from US$736/oz to US$786/oz
- an increase in the unit sales of metallurgical grade chrome concentrates by 7.9% from 923.1 kt to 995.8 kt with an increase in the metallurgical grade chrome concentrate price of 66.7%
- an increase in the unit sales of speciality grade chrome concentrates (24.3% of production) by 17.9% from 272.7 kt to 321.5 kt
- the introduction of third party trading and logistics businesses building on the existing platforms which contributed US$5.7 million to revenue.

Gross profit amounted to US$122.7 million (2016: US$54.5 million) with a gross profit margin of 35.1% (2016: 24.8%).

The segmental contribution to revenue and gross profit from the respective segments is summarised below:

US$ million	30 September 2017 PGM	Chrome	Agency and trading	Total	30 September 2016 PGM	Chrome	Total
Revenue	**90.9**	**252.9**	**5.6**	**349.4**	81.5	138.1	219.6
Cost of sales	**54.7**	**166.7**	**5.3**	**226.7**	57.3	107.8	165.1
Cost of sales excluding selling costs	**54.3**	**107.6**	**4.2**	**166.1**	57.1	64.7	121.8
Selling costs	**0.4**	**59.1**	**1.1**	**60.6**	0.2	43.1	43.3
Gross profit contribution	**36.2**	**86.2**	**0.3**	**122.7**	24.2	30.3	54.5
Gross profit margin	**39.8%**	**34.1%**	**5.4%**	**35.1%**	29.7%	21.9%	24.8%
Sales volumes	**143.5 koz**	**1 317.3 kt**			132.9 koz	1 196.2 kt	

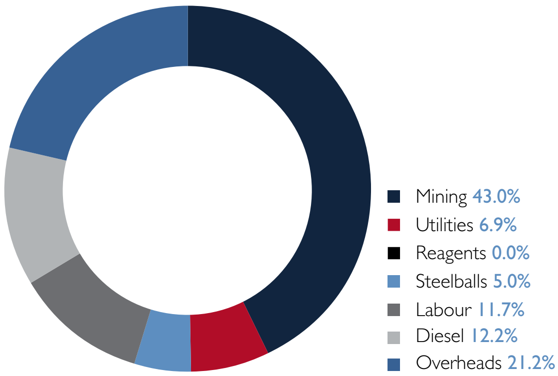
Shared costs of production are based on revenue contribution on an FCA basis, allocated 35% to the PGM segment and 65% to the chrome segment. The comparable period allocation was on an equal basis.

The PGM segment gross profit margin of 39.8% (2016: 29.7%) was higher than the previous year, mainly due to the revised basis of allocating shared costs. The gross profit margin also improved with a reduction in the overall unit cost of sales with increased units sold following improved recoveries being achieved.

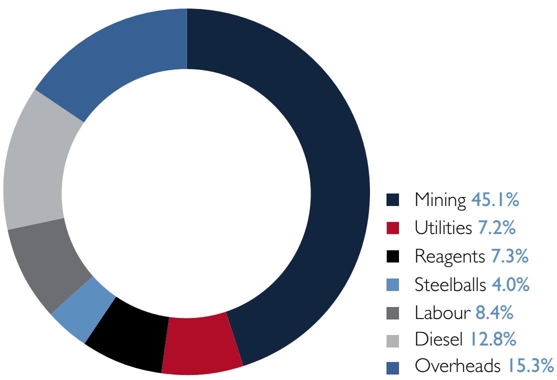
The chrome segment gross profit margin of 34.1% (2016: 21.9%) was higher than the year before largely due to the increased chrome concentrate price notwithstanding the increased cost of sales based on the increased allocation of the shared production costs. Freight costs for bulk shipments of chrome concentrates, a significant component of the cost of chrome sales, increased by 40.0% from US$10/t to US$14/t, coupled with a 9.5% strengthening of the ZAR against the US$, resulted in the average transport cost per chrome tonne increasing from US$42 to US$52.

The major constituents of the cash cost of sales of PGMs and chrome concentrate are depicted in the graphs below.

CHROME CASH COST OF SALES



PGM CASH COST OF SALES



On a unit cost basis, the reef mining cost per tonne mined increased by 11.9% from US$16.8/t to US$18.8/t. This cost per reef tonne was incurred on a stripping ratio of 7.5 (m^3 waste : m^3 reef). On a per cube mined basis i.e. including both waste and reef, the cost increased by 16.5% from US$6.72/$m^3$ to US$7.83/$m^3$ (the prior year stripping ratio was 7.3).

An above inflation increase was agreed with MCC for the mining contractor work due to historical under recoveries based on the mine plan. In addition there was an appreciation in the ZAR of approximately 9.5%. During the transition to the owner mining model, additional costs were also incurred in anticipation of the transition such as employment of additional technical management and sourcing of supplementary mining equipment.

The consolidated cash cost per tonne milled (i.e. including mining but excluding transport and freight) increased by 9.4% from US$31.9/t to US$34.9/t.

STRATEGIC REVIEW

LEADERSHIP REVIEW CONTINUED

After accounting for administrative expenses of US$26.9 million (an increase of 18.1% over the comparable period), the Group achieved an operating profit of US$95.9 million.

EBITDA amounted to US$115.6 million (2016: US$43.0 million).

Finance costs (totalling US$7.7 million) principally relate to the balance owing on the senior debt facility due by Tharisa Minerals for the construction of the Voyager Plant and the trade finance facilities of Arxo Resources on the discounting of the letters of credit on chrome concentrate contracted sales as well as the limited recourse discounting of the PGM receivables.

With the strong performance in the commodity markets during the financial year, the Group recorded a substantial improvement in profitability, generating a profit before tax of US$91.0 million compared to the comparable period of US$22.0 million.

The tax charge amounted to US$23.3 million, an effective charge of 25.6%.

Foreign currency translation differences for foreign operations, arising where the Company has funded the underlying subsidiaries with US$ denominated funding and the reporting currency of the underlying subsidiary is not in US$ was nominal, against the prior year's gain of US$4.2 million.

Basic and diluted profit per share for the year amounted to US$ 22 cents (2016: US$ 5 cents) with headline earnings per share of US$ 22 cents (2016: US$ 6 cents).

As approved by shareholders at the AGM and following the obtaining of the requisite court approvals, the Company reduced its share premium account in the amount of US$179.2 million and applied the reduction in the first instance to the revenue reserves of the Company and in the second instance by returning to shareholders, in cash, an amount of US$2.6 million (US$ 1 cent per share).

The total debt amounted to US$54.2 million, resulting in a debt to total equity ratio of 19.9%. Offsetting the debt service reserve account amount of US$4.5 million, resulted in a debt to equity ratio of 18.2%. The long-term targeted debt to equity ratio is 15%. Tharisa had cash and cash equivalent of US$49.7 million at year end resulting in a nominal net debt to total equity ratio.

With effect from 1 October 2017, Tharisa Minerals purchased certain mining equipment from MCC and purchased additional mining equipment to supplement the fleet. The cash consideration paid for this fleet amounted to ZAR279 million (US$20.6 million) and was debt funded through a bridge loan facility, original equipment manufacturer finance and asset backed finance. If the purchases had taken place on 30 September 2017, the *pro forma* total debt, offsetting the debt service reserve account, would have amounted to US$70.2 million with a *pro forma* debt to total equity ratio of 25.8%.

The current capex spend focused on stay in business capex, mining fleet additions during the transition phase and ongoing projects aimed at improving recoveries of both PGMs and chrome concentrates. Additions to property, plant and equipment for the year amounted to US$26.4 million of which US$7.1 million related to additions to the mining fleet. The depreciation charge amounted to US$16.9 million (2016: US$10.3 million).

The Group generated net cash from operations of US$73.2 million (2016: US$22.2 million). Cash on hand amounted to US$49.7 million. In addition, the Group held US$4.5 million in a debt service reserve account.

OUTLOOK

The PGM basket price in US$ has improved on the back of the rally in spot palladium and rhodium prices and with the recovery in chrome concentrate prices, underpinned by demand, the Group's margins remain robust. The free cash flow for FY2018 and EBITDA margins should grow considerably supported by solid operational performance and a more favourable commodity outlook.

The transition to owner mining has progressed well and the benefits of closer management of the in-pit grades and improved blending ahead of the plants are being realised.

The maturation of the business beyond the development stage has positioned the group for its next phase of growth. Not only is the focus on continuous improvements in feed grade and recoveries, but on expanding the business through the operation of third party plants and the marketing of these commodities.

The production outlook for FY2018 is 150.0 koz of PGMs and 1.4 Mt of chrome concentrates, of which 350.0 kt will be specialty grade chrome concentrates. Our vision for 2020 is to produce 200.0 koz of PGMs and 2.0 Mt of chrome.

The management team is positive about the prospects for the year ahead and believes that with the direct control of our mining operations and a strong focus on ROM quality further economies of scale will be demonstrated through reduced unit costs and increasing operating margins and profitability.

The achievement of our stated objectives has had a material boost in the morale within the Group and it is this commitment and dedication to achieving these goals that has made the difference in FY2017. We will continue to leverage off of this momentum and look to continue implementing our strategy as we move towards achieving our vision for 2020.

We thank our Board, management, employees, customers, suppliers and partners who have assisted the Company during this profitable year.

BUSINESS MODEL

THARISA IS AN INTEGRATED RESOURCES GROUP

Tharisa is uniquely positioned, incorporating mining, processing, beneficiation, marketing, sales and logistics. Tharisa Minerals is a low cost producer of PGM and chrome concentrates resulting in two distinct revenue streams from a single resource with costs being shared between the commodities. The Group continues to explore beneficiation opportunities through innovation and technology.

INPUTS

PEOPLE

- Skilled workforce
- Experienced entrepreneurial leadership
- Human resource development
- Zero harm culture

ASSETS

- Mining right
- Significant resource
- Long-term open pit life of mine
- Processing plants
- Regulatory compliant

FINANCIAL

- Cash – operationally cash flow positive
- Capital expenditure – stay-in-business capex, mining fleet and optimisation projects
- Fully funded
- JSE and LSE listing – access to capital markets

INNOVATION

- Optimisation – mining and processing
- Research and development

STAKEHOLDERS

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

INFRASTRUCTURE

- Less reliant on electricity – diesel powered mining
- Electricity and water
- Road and rail networks
- Port facilities

ADDING VALUE

MINERAL EXTRACTION

- Mining of five MG Chromitite Layers
- Contractor mining model transitioning to owner mining model

BENEFICIATION

- Producing PGM and chrome concentrates, including
  - metallurgical grade
  - chemical grade
  - foundry grade

RESEARCH AND DEVELOPMENT – OPTIMISATION

- Improving recoveries
- IMW DC furnace to pilot production of PGM rich alloys

MARKETING AND SALES

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

LOGISTICS

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

OUTPUTS

PRODUCTS

- PGM concentrate
- Metallurgical grade chrome concentrate
- Chemical grade chrome concentrate
- Foundry grade chrome concentrate

SERVICES

- Marketing and sales
- Logistics

WASTE

- Process tailings
- Waste rock

OUTCOMES

PEOPLE

- Employment, one third from local community
- Skills development
- Wellness programme
- Low LTIFR
- Two years fatality free

ASSETS

- Production of saleable product
- Depletion of resources

FINANCIAL

- Operating profit
- Cash generated from operations
- Social upliftment
- Taxes and royalties
- Dividends
- Shareholder returns

INNOVATION

- Process improvements

STAKEHOLDERS

- Wages, salaries, bonus schemes and share award plans
- Returns to shareholders
- Community upliftment
- Customers – quality of products, consistent deliveries
- Suppliers

INFRASTRUCTURE

- Responsible management and efficient use

HOW THARISA CREATES VALUE

Tharisa is unique in that it operates across the value chain – from mine to market. The full value chain is captured through the co-extraction of PGM and chrome concentrates and in-house marketing, sales and logistics. This vertically-integrated approach allows Tharisa to capitalise on economies of scale.

The benefits of an in-house chrome marketing, sales and logistics platform gives Tharisa direct access to local and international chrome customers. This direct access to the market enables direct price discovery and maximises value. This integrated platform also provides a basis to service third party customers in the future.

THARISA MINERALS

RESOURCE

- 867.5 Mt resources at 1.53g/t 5PGE + Au and 20.7% Cr_2O_3

MINING

- 17-year open pit LOM
- 40-year underground extension
- Mined 5.0 Mt of ROM reef

PROCESSING

- 4.8 Mt nameplate design capacity
- Production of 143.6 koz of PGMs
- 1.3 Mt of chrome concentrates

LARGE SCALE

- One of the world's largest single chrome resource

MECHANISED

- Mechanised open pit mining with a skilled labour force
- Transition to owner mining

DERISKED

- In production
- Major capex complete
- FY 2018 production of 150.0 koz PGMs and 1.4 Mt of chrome concentrate

ARXO METALS

BENEFICIATION

- Production of specialty grade chrome concentrates

R&D

- New technology
- Piloting PGM rich alloy technology with 1 MW DC smelter

THIRD PARTY

- Improving quality of K3 UG2 chrome plant production

ARXO RESOURCES/DINAMI

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

STRATEGIC REVIEW

MID-TIER OPEN PIT PGM AND CHROME CONCENTRATE CO-PRODUCER WITH AN INTEGRATED MARKETING, SALES AND LOGISTICS PLATFORM

CUSTOMERS

- PGM off-take agreement – Impala Platinum and cooperation agreement with Lonmin
- Specialty off-take/joint marketing agreement – Rand York Minerals
- Metallurgical agency agreement – Noble Group
- Strategic agreement – Tisco
- Relationships with stainless steel and ferrochrome producers and global commodity traders

STRATEGIC REVIEW

Tharisa's core strategy is to generate value by becoming a globally significant low cost producer of strategic commodities.

It supplies global demand for our products through integrated mining, processing, marketing, sales and logistics operations.

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

ORIGINATE

Tharisa seeks to grow and expand its business by investing in operations or projects which demonstrate opportunities for value accretion. The Group proactively seeks out investment or acquisition opportunities in strategic commodities and in countries offering geographic diversity.

Preference is given to opportunities to develop large-scale and low cost projects that are in or close to production.

Such opportunities must meet Tharisa's stringent investment criteria, including a return on investment of 25%.

INNOVATE

The Group was born out of innovation. It was through its innovative approach to processing the multiple MG reef horizons that it established South Africa's only PGM and chrome concentrates co-producer earning revenue from both commodities. It is through continued research and development that the Group finds ways of optimising its current mining and processing.

Recent optimisation initiatives include process optimisation strategies for both PGM concentrate recoveries and chrome concentrate recoveries. To further improve PGM recoveries, a high energy flotation circuit was incorporated into the Genesis Plant in August 2017. This followed the success of a similar circuit at the Voyager Plant, which was commissioned in September 2014 and resulted in an improvement of recoveries.

During FY2017, Arxo Metals commissioned a 1 MW furnace to produce PGM-rich alloys. The furnace was commissioned at the end of September 2017 and will take approximately six months to ramp up to a production of PGM-rich alloy. This alloy will be on sold as part of a PGM research and development co-operation agreement entered into in July 2017.

The Group continually assesses chrome technologies to improve the recovery of chrome concentrates above the target of 65%. In-house research on recovering the chrome concentrate fines is ongoing and currently being tested.

LEVERAGE

Tharisa continues to explore ways to expand its marketing and sales capabilities to enable the Group to capture additional margin by leveraging its existing know-how, experience and relationships through third party sales and logistics. In FY2017, Arxo Metals entered into an agreement with Western Platinum, a subsidiary of Lonmin, on the operation of its K3 UG2 chrome plant and for the marketing and sales of the chrome concentrate. The agreement, which was effective as of 29 August 2017, gives Arxo Metals the opportunity to unlock greater value for Lonmin from the K3 UG2 chrome plant, using innovative technology already in use at Tharisa's operations while adding 200.0 kt to the Group's chrome sales annually. The marketing and sales of UG2 chrome expands the basket of chrome concentrates sold by Tharisa and leverages off its established marketing and logistics platforms.

The Group's logistics platform lends itself to third party trading, providing increased scalability by securing more efficient logistics arrangements to customers.

Tharisa effectively competes with other commodity traders on the basis of its tailored and high-quality service offering, market knowledge and strong customer relationships.

DISCIPLINE

With stringent management of costs and improved efficiencies, Tharisa continues to be positioned in the lowest cost quartile for both PGM and chrome concentrates. The Group is also operating cash flow positive, which has allowed it to improve its returns to shareholders. Tharisa has improved its annual dividend policy to a minimum of 15% of consolidated NPAT from 10% previously. It also intends to declare interim dividends commencing in FY2018. A final dividend of US$ 5 cents is proposed in respect of FY2017.

MARKET REVIEW

South African production of PGMs and chrome are crucial to global supply. South Africa is home to the world's largest PGM and chrome deposits; and its mining industry is therefore an essential component of the global commodity supply chain.

Tharisa's flexibility as a low cost co-producer of PGM and chrome concentrates was again evident in FY2017. The Group was able to leverage off the relative stability of the PGM sector while benefiting from the spot chrome market during the year under review.

PGM prices remained muted during the year showing a marginal increase of US$50 per PGM basket ounce despite the rally in palladium prices, which surpassed and maintained levels above the prevailing platinum price. Metallurgical chrome prices, on the other hand, swung from lows of US$130/t to historic highs of almost US$390/t but the rally was short lived with limited liquidity and an underestimated global supply side response dampening the strong run to those levels.

Tharisa's co-producer business model meant it was cushioned against the stagnation in the PGM market and benefit from its direct access to ferrochrome and stainless steel producers, particularly in China. In this way the Group has a natural hedge against dramatic market changes in either of these sectors.

THARISA'S MARKET POSITION

Tharisa is the only JSE and LSE listed co-producer of PGMs and chrome concentrates. It is the sixth largest South African platinum producer and ranks ninth in terms of global PGM production.

Tharisa is South Africa's fourth largest chrome producer and the largest producer from a single resource. In FY2017, Tharisa accounted for 7.8% of China's chrome ore and concentrate imports and 10.9% of South Africa's chrome ore and concentrate exports to China.

Tharisa is one of the world's largest producers of specialty grade chrome concentrate.

PGM MARKET

Classified as a precious metal, 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, forecast to make up 71% of the total refined production in 2017.

According to the WPIC Q3 2017 report, South African refined production is forecast to reach 4.23 Moz in calendar 2017, slipping marginally from the 4.26 Moz produced in 2016. South African production is however seen slipping further to 4.15 Moz in calendar 2018 with large players lowering output targets and smaller mines mothballed or suspended.

The WPIC said in the report, released in November 2017, that while 2017 a challenging year for the market, its independent forecast of the fundamental supply and demand drivers for 2018 suggested a more positive picture emerging. According to the report, whose analysis is provided by research partners SFA (Oxford), total platinum supply is forecast to dip from 7.92 Moz in 2016 to 7.83 Moz in 2017 while demand is expected to fall by 6% from 8.32 Moz in 2016 to 7.85 Moz in 2017, creating a 275 koz deficit in 2017. In 2018, supply is seen slipping further to 7.76 Moz while demand is expected to pick up slightly to 8.03 Moz on an expected rebound in industrial demand and a predicted recovery in the global platinum jewellery market.

PGM USES

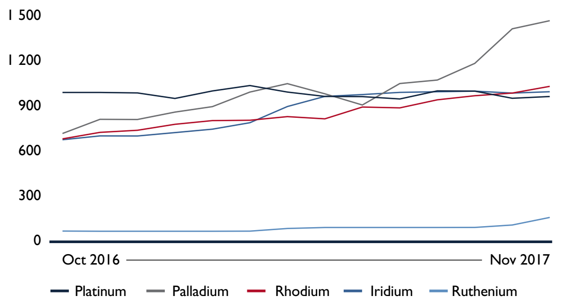
Pt	Platinum	Automotive catalytic converters	Jewellery
Pd	Palladium	Automotive catalytic converters	Jewellery
Ru	Ruthenium	Electrical contacts	Chemical catalyst
Rh	Rhodium	Automotive catalytic converters	Optic fibre coatings
Ir	Iridium	Corrosion resistance	Automotive spark plugs
Au	Gold	Jewellery	Coinage

PGM PRICES IN FY2017

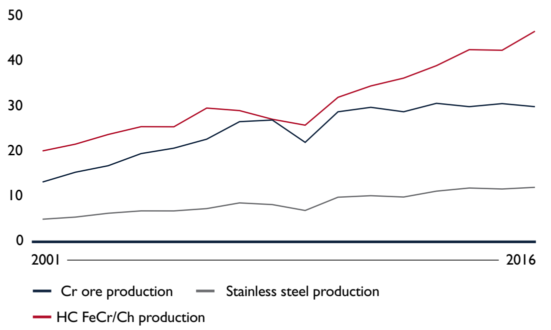
Johnson Matthey's monthly averages for platinum indicate that the precious metal ended the year (financial year ended September 2017) marginally less than US$10 an ounce higher at US$974, while palladium surged US$297 ahead to end the year at US$943 an ounce. Since the end of the financial year, the palladium price has surpassed US$1 000 an ounce. Rhodium has done even better with the price touching US$1 500 at the end of November 2017. This positive trend in PGM metal prices strengthened Tharisa's average PGM basket price by 6.8% in FY2017.

		FY2017	FY2016	Year on year change
Average PGM contained metal price achieved	US/oz	**786**	736	6.8%
Average PGM contained metal price achieved	ZAR/oz	**10 492**	10 881	(3.6%)

PGM
(US$/oz)



CHROME
(Mt)



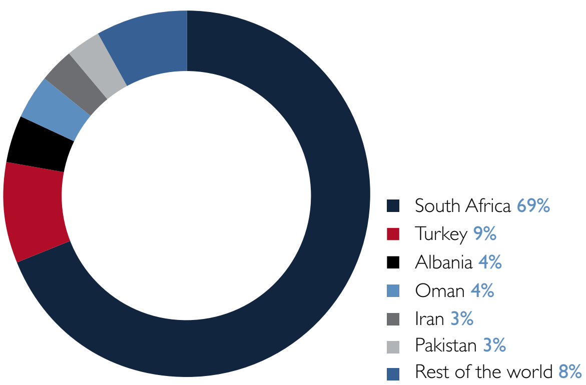
CHROME MARKET

South Africa ranked number one in terms of chromite reserves and resources. Home to 72% of the world's available chrome, South Africa produced 15.1 Mt of chrome in 2016, which equates to approximately 54% of global production. According to the ICDA, South Africa produced 8.2 Mt in the first half of 2017.

Of the chrome produced metallurgical chrome is dominant with 10.4 Mt produced in 2016 while UG2 chrome production, which is sourced from PGM tailings, makes up just 4.2 Mt. Specialty grade product, consisting of chemical and foundry grade chrome, made up the balance.

Roughly half of South Africa's chrome production is sold locally as feedstock for local ferrochrome industry and the other half is exported for use in ferrochrome production and the manufacture of stainless steel. South African chrome made up 73% of China's chrome imports in 2016. China is reliant on imports of chrome ore and concentrates to sustain the country's ferrochrome and stainless steel manufacturing industry. There is therefore a high correlation between stainless steel production and ferrochrome demand, and between ferrochrome demand and chrome ore demand.

CHINESE IMPORTS OF CHROME 2017



CHROME END USES

Chrome ore demand is driven by ferrochrome use with close on 92% of the chrome ore being used for metallurgical purposes. Three percent of the demand comes from the chemical industry and the rest from refractory and foundry industries. Stainless steel is the largest consumer of ferrochrome and as such a change in the dynamics of the stainless steel industry impacts on the ferrochrome industry.

92%

Metallurgical grade

- Cr_2O_3 – 30% to 45%
- SiO_2 – <1%
- Chrome is the key ingredient for stainless steel

3%

Foundry grade

- Cr_2O_3 – > 46%
- SiO_2 – < 1%
- High thermal conductivity and low thermal expansion
- Moulds for metal casting

3%

Chemical grade

- Cr_2O3 – 45% to 47%
- SiO_2 – < 1.2%
- Used to produce sodium dichromate

2%

Refractory grade

- Cr_2O_3 – 46%
- SiO_2 – < 1.2%
- 98% < 2mm
- Refractory bricks for furnace linings

CHROME PRICES IN FY2017

The market witnessed history in the first half of FY2017 with record prices for 42% chrome concentrates achieving levels of approximately US$390/t. There was, however, limited liquidity and an underestimated global supply side response which displaced a large portion of South Africa's market share.

Prices subsequently declined to levels as low as US$130/t mainly on the back of accumulated inventory levels. Post the half-year there was a recovery in the spot metallurgical grade chrome prices delivered to China due to increased demand for stainless steel and excess inventories being absorbed in the normal course. The average metallurgical chrome contract price achieved was US$200/t CIF China for FY2017.

RISK REVIEW

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 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, but risks may exist of which the Group is currently unaware.

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.

Below are the material risks identified by management in consultation with stakeholders and with reference to the Group's business model and strategy.

Risks	Impact	Mitigation
SAFETY		
Keeping people safe is of paramount importance to Tharisa. Mining and processing safely is a key performance indicator for all employees.	• Increases injury and/or fatality risk • Disruptions to operations pending root cause investigations • Section 54 and section 55 instructions from the DMR in terms of the South African Mine Health and Safety Act	• Strive for zero harm working environment • Comprehensive training on standard operating procedures • Implement culture of safety risk intolerance • Transparent and open relationships with DMR inspectorate • Key performance indicator in Group cash bonus scheme and share incentive scheme to incentivise safe behaviour
PRODUCTION/LOCATION CONCENTRATION		
Tharisa currently owns and operates a single asset in a single jurisdiction. This exposes the Group to the potential political risk and instability within the country of its operation.	• Exposure to potential macro-economic, socio-political risks and instability • Sovereign ratings downgrades of the country of operation can limit the Group's ability to raise financing and increase the cost thereof • Exposure to only two commodities	• Third party operation such as the operations of Lonmin's K3 UG2 chrome plant, provides additional revenue from an alternate operation • Strategy to consider geographic diversification • Considering opportunities to diversify commodities
POLITICAL UNCERTAINTY		
The downgrades of the South African US$ debt credit ratings to sub-investment grade have resulted in increased volatility in the exchange rate with a risk of further downgrades to both the US$ and ZAR debt credit rating.	• Potential to increase cost of capital with further downgrades expected to lead to longer term interest rate increases and inflationary pressures	• The Group is a Rand hedge group with sales being denominated in US$ with the majority of the cost base being ZAR denominated • To mitigate the longer term interest rate and inflationary pressure, the Group continues to focus on maintaining its targeted debt level policy and manage its costs

Risks	Impact	Mitigation
GLOBAL COMMODITY PRICES AND ZAR/US$ EXCHANGE RATE		
The Group's revenues, profitability and future rate of growth depend on the prices of PGMs and chrome. The state of the world's economies impact on demand and market prices for PGMs and chrome. Volatility in the ZAR/US$ exchange rate affects the Group's profitability.	• A sustained downward movement in the price for PGMs and/or chrome may negatively affect the Group's profitability and cash flows • The Group's reporting currency is US$. The Group's operations are predominantly based in South Africa with a ZAR cost base while the majority of the revenue stream is in US$ exposing the Group to the volatility and movements in the currencies	• Monitor costs closely to ensure that the Group remains in the lowest cost quartile • Stringent cost control • Improved operating efficiencies and production driving unit costs down • Service provider appointed to manage the Group foreign exchange hedging policy
MARKET/CUSTOMER CONCENTRATION		
The bulk of Tharisa's chrome production is exported to China. This gives the Group a substantial exposure to a single market.	• Customer base largely located in China with accompanying exposure to Chinese markets	• No reliance on a dominant customer within that market • Tharisa has strategically diversified its production through the increase of specialty grade chrome concentrate, which makes up approximately 25% of Tharisa's total chrome production • Chemical and foundry grade chrome concentrates sold into diversified global markets • Majority of PGM concentrate sold to leading precious metals refiner on a long-term off-take basis
REGULATORY COMPLIANCE		
Tharisa Minerals' right to mine is dependent on strict adherence to various legal and legislative requirements. There is uncertainty around amendments to and interpretation of the South African MPRDA and around revisions of the Mining Charter under the MPRDA. 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. Regular inspections are conducted by the DMR to ensure compliance. Any perceived violation of the regulations could lead to a temporary shutdown of all or a portion of the Group's mining operations.	• Cost of compliance to changes in MPRDA and Mining Charter • Uncertainty leads to negative investor sentiment • Non-compliance results in potential legal sanction and risks to the right to mine • Capital raising potential hindered	• Ensure compliance with current MPRDA and applicable legislation • Government withdrew provisional 2017 Mining Charter following objections and court challenges from the Chamber of Mines and other lobby groups • Maintain excellent performance in terms of score card to the proposed Mining Charter • Engagement with regulatory authorities and industry organisations • Ongoing communication and awareness to investors

STRATEGIC REVIEW

RISK REVIEW CONTINUED

Risks	Impact	Mitigation
ENVIRONMENT		
Tharisa is obliged in terms of its undertaking to stakeholders, including government, providers of capital and the community, to monitor, minimise and mitigate its impact on the physical environment and not to infringe on constitutional 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.	• Harm to the environment • Increased costs of remediation and rehabilitation due to legislative changes • Potential legal sanction	• Conduct all mining and processing operations in an environmentally responsible manner • Compliance with applicable national and local laws and regulations • Monitor compliance against Equator Principles • Financial provision for rehabilitation and mine closure
LOCAL STAKEHOLDERS		
Tharisa Minerals's neighbours are impacted by its operations in terms of avoiding dust, noise, water and security. The perceptions of stakeholders, including different sections of the community and various levels of government, are varied and multi-layered.	• Local stakeholder discontent has the potential to disrupt operations • Safety and health of community • Complaints to regulatory authorities and risk of intervention • Potential for adverse litigation	• Ongoing environmental impact monitoring • Ongoing discussions and negotiations with local landowners • Partner with government and local municipality to identify land within spacial development area to which the community may be relocated • Ongoing discussions with DMR
ACCESS TO RESOURCES AND INFRASTRUCTURE		
Tharisa's mining, processing and marketing operations rely on sustainable access to water, electricity and rail and road infrastructure.	• Production interruptions • Failure to meet delivery commitments	• Two independent processing plants provide flexibility in times of electricity and water curtailments • ROM stockpiles providing buffer feed for processing plants • Multi-modal transport optionality via bulk or containers, road and/or rail • Negotiating for onsite rail siding • Improved water supply through application for a permanent conversion of current temporary rights and transfer of water rights from Buffelspoort Dam • Open pit mining and reliance on a diesel mining fleet

Risks	Impact	Mitigation
LABOUR		
The consistent, assured availability of appropriately skilled human resources is essential to the sustainability of Tharisa's operations. Similarly, important is the efficiency and discipline of the Group's workforce.	• Labour disruptions remain a risk, particularly with the current political climate which may contribute to heightened labour and community unrest regionally • Potential damage to property • Loss of production	• Recognition agreement with the relevant trade unions • Three-year wage agreement with NUM which provides certainty and stability • Monthly liaison with shop stewards and regular contact with regional leadership. • Ongoing training programmes • ROM stockpile ahead of plants available to maintain production should there be a mine labour disruption • Adequate insurance cover in the event of damage to property arising from unrest • All levels of employees incentivised through cash bonus schemes and share incentive schemes
MANAGEMENT OF RESOURCE AND RESERVES		
How the Group manages the extraction of the mineral resource comprising multiple MG layers of reef is critical to its 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	• Owner mining model implemented on 1 October 2017 enabling in-house management and control of all mining activities, with focus on correct mining practices with optimal quality and quantity of ROM • In-house mining skills • Accuracy and execution of mine plan • Mining employees managed on 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 breakdowns 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	• Transitioning to an owner mining model • Purchase of additional fleet to optimise the existing fleet • Developed engineering and geological skills that are integral to in-house mining • The fleet on-site currently mines at the required mine-call rate • Transferred employees already skilled in the operating procedures of Tharisa Minerals • Preventative maintenance programme for the fleet and the plant • Long lead item spares in stock
FINANCING AND LIQUIDITY		
The activities of the Group expose it to a variety of financial risks including market, commodity prices, credit, foreign exchange and interest rate risks.	• 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 future	• Position as a low cost producer of both PGMs and chrome concentrates • Production of higher value add specialty grade chrome concentrates • Diversified markets and customers

OPERATIONAL REVIEW

Tharisa has made sound progress in FY2017. The Tharisa Mine and processing plants continue to deliver while the marketing and logistics businesses have initiated third party business in line with the Group's strategic growth plans. Operational optimisation projects have improved recoveries and exciting expansion projects, originated through its research and development initiatives, are planned for the next two years.

THARISA MINERALS

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

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, thereby reducing unit costs and positioning Tharisa Minerals in the lowest cost quartile of operating costs in South Africa for both PGMs and chrome. Tharisa Minerals' low unit costs and two products have ensured that it was well-placed to manage commodity price volatility and exchange rate.

Its dual revenue streams provide a natural hedge against different commodity cycles with the products being used in different applications. PGMs are primarily used in the automotive and jewellery industries while chrome is primarily used in the manufacture of stainless steel. These benefits, together with record production, has resulted in Tharisa Minerals delivering a strong operational performance in FY2017.

PRODUCTION STATISTICS

		2017	2016
LTIFR	per 200 000 hours	**0.07**	0.36
Stripping ratio	m^3 waste: m^3 reef	**7.5**	7.3
Rougher PGM feed grade	g/t	**1.56**	1.65
PGM production	5PGE + Au koz	**143.6**	132.6
PGM recovery	%	**79.7**	69.9
ROM chrome feed grade	%	**17.8**	18.0
Chrome recovery	%	**64.1**	62.7
Chrome yield	%	**27.1**	26.7
Chrome concentrate production	kt	**1 331.2**	1 243.7
Metallurgical	kt	**1 008.1**	974.3
Specialty	kt	**323.1**	269.4

SAFETY

Tharisa acknowledges that the safety of its people is critical to its success. The LTIFR for FY2017 was 0.07 (2016: 0.36) per 200 000 man hours worked. Tharisa Minerals was awarded three safety awards in 2017 including, the Best Safety Performance and Best Improved Performance awards at Mine Safe 2017, and an award from the Mine Health and Safety Council for 2 000 fatality free production shifts.

Refer to Safety and Health section of the sustainability report on page 38.

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 a MG Chromitite outcrop with a strike length of approximately 5 km.

The Tharisa Mine is currently a 17-year open pit operation with a projected 40-year underground life of mine extension.

Refer to Mineral Resource and Mineral Reserve statement on page 54.

The mining operation, which is divided into the east pit and west pit, extracts reef from five MG Chromitite Layers. The average stripping ratio over the life of mine is 9.7 m^3 waste to m^3 reef. The stripping ratio was 7.5 m^3 in FY2017 and is expected to increase above the LOM ratio in FY2018.

During FY2017, Tharisa mined 5.0 Mt of ROM. This is 3.9% higher than in FY2016 and in excess of the plant processing nameplate capacity of 4.8 Mt. The PGM rougher feed grade, however, reduced from 1.65 g/t to 1.56 g/t as more weathered ore was included in the ROM following the road diversion and mining of that area to expand the mining footprint. The Cr_2O_3 ROM grade was in line with the prior year. Average rougher feed grades are expected to remain unchanged in FY2018.

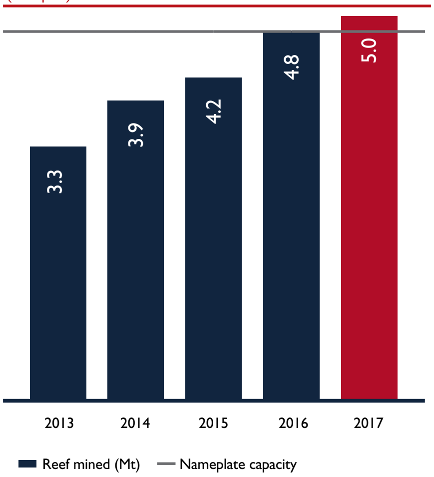
Tharisa Minerals announced in April 2017 that it would transition to owner mining. Since the start of its development, the Tharisa Mine successfully used specialist mining contractor MCC for drilling, blasting, loading, hauling and rehabilitation of the open pit. With effect from 1 October 2017 the mine has transitioned to an owner mining model.

This follows the acquisition of certain of MCC's equipment, strategic components, site infrastructure and spare parts, as well as the transfer of approximately 900 mining employees deployed at the Tharisa Mine. As part of its transition to owner mining, Tharisa Minerals has also taken cession and assignment of certain leases entered into by MCC. In addition, to optimise the fleet and in particular, to insource the drilling which was partly subcontracted by MCC, additional mining fleet was acquired. The primary mining fleet will comprise 19 drill rigs, 11 excavators and 46 trucks capable of moving 17 Mm^3 per annum.

The estimated fleet replacement cost is approximately US$145 million. The average remaining life of the fleet is 40% and the fleet replacement programme will be guided by original equipment manufacturers' (OEM) specifications.

The seamless transition over the months preceding and following the official handover resulted in no operational interruptions during the financial year. The mining team has closely monitored the grade and quality of the material mined to ensure that the mining programme matched not only the capacity of the processing facilities, which are designed to process 4.8 Mtpa of ROM ore, but also the correct blend of reef horizons to achieve planned recoveries. To ensure optimal reef layer blending and feed grade consistency into the plants, Tharisa Minerals is planning to maintain a minimum 400.0 kt ROM stockpile ahead of the processing plants. Tharisa Minerals plans to maintain planned production levels until 2030, before transitioning to underground bord and pillar mining.

MINING
(Mtpa)

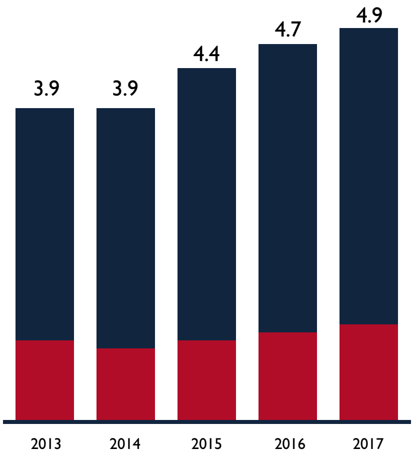


PROCESSING

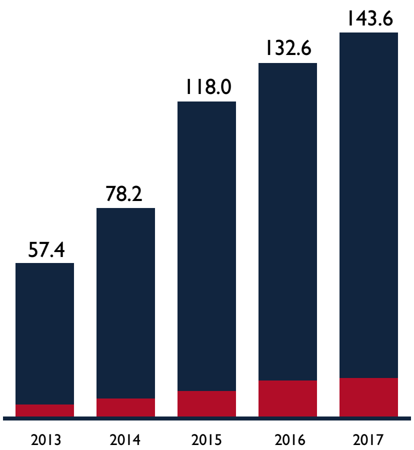
Tharisa Minerals' two independent processing plants are designed specifically to treat the MG Chromitite Layers of the Bushveld Complex. The smaller 1.2 Mtpa Genesis Plant, with the 100 ktpm chrome circuit, was commissioned in August 2011 with the PGM circuit being commissioned in December 2011. The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

OPERATIONAL REVIEW CONTINUED

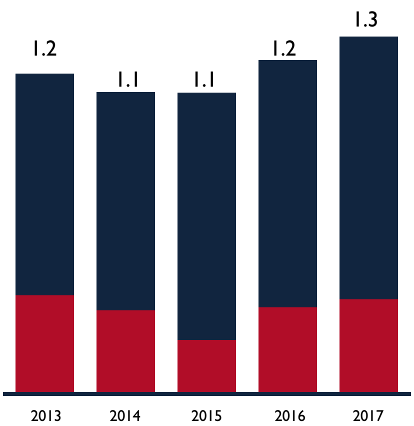
PLANT FEED
(Mtpa)



PGM PRODUCTION
(Kozpa)



CHROME PRODUCTION
(Mtpa)



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 communition, spiral and flotation circuits).

Using off the shelf technology, the processing circuits are uniquely engineered to deliver both PGM and chrome production. This innovative approach to production has made Tharisa a world class PGM and chrome co-producer.

The ore that has been processed by the plants since commissioning until mid-2016 was from near surface. Described as mixed ore, this ore includes partially oxidised ore. Since H1 FY2016, the plants processed more fresh, or non-oxidised ore. A planned road diversion to allow for the widening of the pit during FY2017 has meant that the plant processed additional mixed ore during the year but as the mine pit deepens, the ROM ore will become less oxidised. This will improve recoveries further by reducing the amount of oxidised ore being fed to the processing plants. Tharisa targets recoveries of 80% for PGMs and 65% for chrome. In FY2017 PGM recoveries improved to 79.7% from 69.9% in FY2016 while chrome recoveries were up at 64.1% from 62.7% the previous year.

During the year, the Group produced PGM concentrates containing 143.6 koz of contained PGMs (5PGE +Au) and chrome concentrates of 1.3 Mt, an improvement of 8.3% and 7.0% respectively, on FY2016. Of the chrome concentrates produced, 323.1 kt was specialty grade concentrates.

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 subsidiary Arxo Metals, was commissioned in July 2013 and produces chemical and foundry grade chrome concentrates.

The Voyager Plant chrome processing circuit was modified in FY2016 to increase chemical grade chrome production to diversify the product range from metallurgical grade with its Chinese and Asia-centric market to global markets, particularly taking the price differential between the products into account.

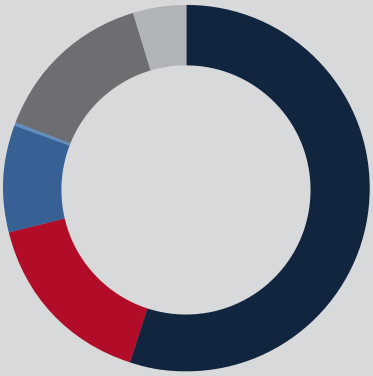
Production of specialty grade concentrates, which accounted for 21.7% of total chrome production in FY2016, increased to 24.3% of total production in FY2017. Production of specialty grades will be maintained at current levels to ensure that it maintains a strategic market share.

PGM production was not affected by the Voyager modification due to the independent metallurgical properties of the PGMs and chrome within the ore body.

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 ruthenium.

PRILL SPLIT BY MASS FOR FY2017



Metallurgical grade chrome concentrate: The typical metallurgical grade produced by Tharisa is 40.0% to a 42.0% chrome (as Cr_2O_3) with the silica (SiO_2) lower than 5.0%.

Chemical grade chrome concentrate: The typical chemical grade produced by Tharisa is 44.0% to 46.0% Cr_2O_3 with the SiO_2 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% Cr_2O_3 with the SiO_2 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.

THARISA PRODUCT

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 off-take 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 PGM basket price improved 6.8% to US$786 in FY2017.

The PGM's 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 MG's is also significantly lower than Merensky and UG2 ores, resulting in a low matte fall during smelting, reducing base metal refining requirements.

Chrome concentrate sales totalled 1.3 Mt, 321.5 kt of which was higher value-add specialty chemical and foundry grade chrome concentrates with the bulk of the sales being metallurgical grade chrome concentrate.

Specialty grade chrome concentrates produced by Tharisa Minerals are sold to Rand York Minerals in terms of an off-take agreement which provides for a joint marketing arrangement of the product.

Spot metallurgical chrome concentrate prices were volatile during the financial year fluctuating between US$130/t and US$390/t with the average price for metallurgical grade chrome concentrate on a CIF main ports China basis increasing in US$ terms to US$200/t.

Furthermore, the production of the higher value specialty chrome concentrates, which typically command a premium of greater than US$50/t, provided a further buffer against fluctuations in the metallurgical grade chrome price.

OPERATIONAL REVIEW CONTINUED

During 2017, Tharisa entered into a 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, Tharisa Minerals will supply the Tisco with a minimum of 240.0 ktpa of metallurgical grade chrome concentrate.

Metallurgical chrome production is shipped in bulk and containers via South African ports to major stainless steel and ferrochrome producers in China.

> "The economies of scale and in-house expertise offered by maintaining an integrated value chain have ensured that costs, particularly logistics costs which are a major cost of the Group, remain competitive."

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 specialty grade chrome concentrates, namely chemical and foundry grade concentrates. Specialty grade concentrates carry more stringent specifications and therefore fetch a higher value. Arxo Metals has an off-take agreement with Rand York Minerals, which markets and sells the concentrates to customers in the chemical and foundry industries globally. Arxo Metals produced 65.7 kt of chemical grade chrome concentrate (2016: 52.2 kt) and 23.1 kt of foundry grade chrome concentrate (2016: 18.1 kt) in FY2017. The increased production was attributed to the consistent supply of the correct ore blend and optimisation of the feed circuit to maximise the amount of fines from the crushing plant that report to the Challenger Plant.

In August 2017, Arxo Metals entered into an agreement with Western Platinum, a subsidiary of Lonmin, on the operations of its K3 UG2 chrome plant and for the sales and marketing of the UG2 chrome concentrate produced. Arxo Metals will unlock greater value for Lonmin from the K3 UG2 chrome plant using innovative technology already in use at Tharisa's operations. Adding approximately 200.0 kt to the Group chrome sales annually, the agency agreement expands the basket of chrome concentrates sold by the Group and leverages off its established logistics and marketing platforms.

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

During FY2017, Arxo Metals commissioned a 1 MW DC furnace to produce PGM-rich alloys on a pilot scale. The furnace will take approximately six months to ramp up to a production of PGM-rich alloy. This alloy will be smelted by Lonmin as part of a PGM research and development cooperation agreement entered into in July 2017.

The production of PGM-rich alloys will further develop Tharisa's beneficiation capability and thereby the profitability of Tharisa's PGM segment.

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

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 600.0 ktpa of metallurgical grade chrome concentrate produced by Tharisa Minerals.

Arxo Resources also has a joint marketing agreement with Rand York Minerals for Tharisa Minerals' chemical grade chrome concentrate production. In FY2017, Arxo Resources sold 995.8 kt (2016: 908.9 kt) of Tharisa Minerals' metallurgical grade chrome. 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 Lonmin's K3 UG2 chrome plant to international customers through bulk and container vessels. 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 parastatals, Transnet and the port authorities. Negotiations regarding a planned public-private partnership for an on-site railway siding at Tharisa Mine are continuing and final commercial terms are still to be agreed. An on-site railway siding will not only improve efficiencies and costs, but will also improve safety and alleviate environmental impacts by reducing road freight haulage. Arxo Logistics currently has the exclusive use of the Marikana railway siding for chrome exports.

Arxo Logistics shipped a total of 995.8 kt (2016: 923.1 kt) of chrome concentrate in FY2017 mostly to main ports in China. Of this, 98% was shipped in bulk with bulk shipments being 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 Mineral's 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 period under review and is planning to expand this service offering in the year ahead.

SUSTAINABILITY

Sustainability starts with a corporate value system that upholds responsibilities to the planet and to people. This corporate value system is based on a principled approach to doing business and is guided by the need to protect the environment, human rights and stakeholders that are affected and effected by the Group's businesses.

Sustainability is a blue print for the creation of shared value and it is through sustainability that Tharisa is able to create additional value for its investors and for all of its stakeholders including employees, contractors, suppliers, the communities in which it operates and various levels of government.

As a means of measuring the impact of sustainability efforts, Tharisa is working towards the adoption of international sustainability guidelines such as the Global Reporting Initiatives and ISO 26000. On a broader basis, the Group subscribes to the Equator Principles and has embraced the Ten Principles of the UN Global Compact.

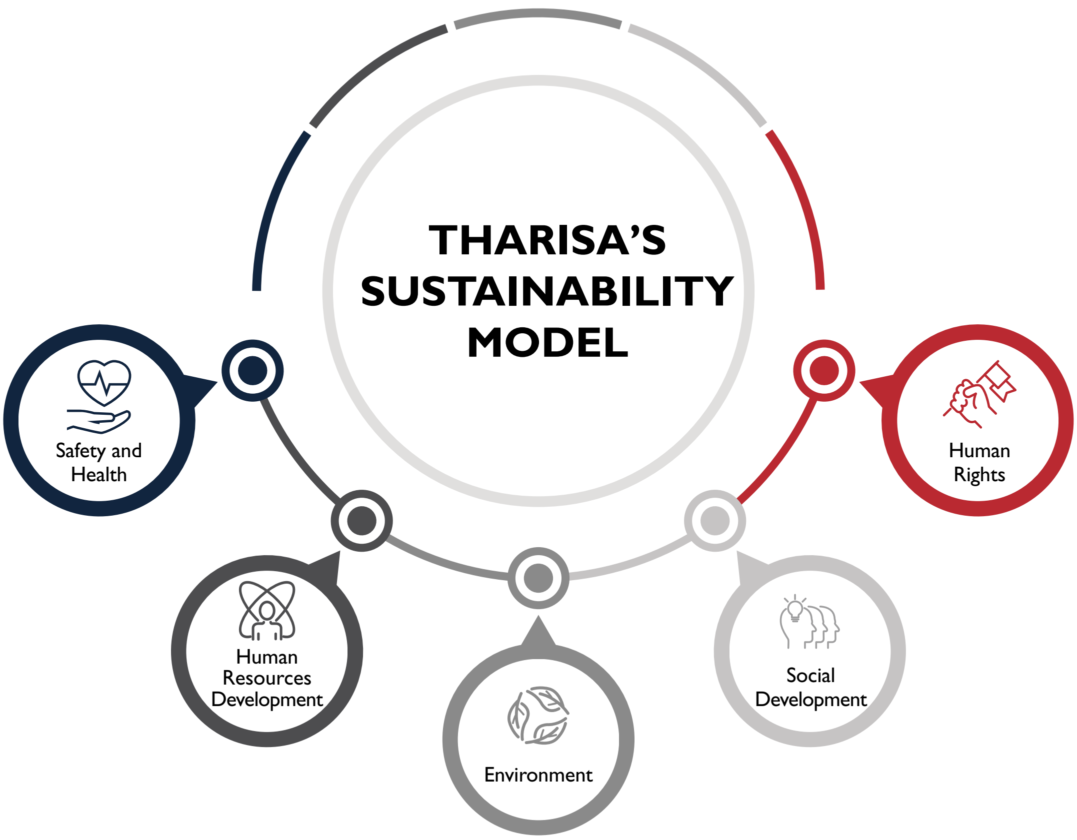
The Equator Principles is a risk management framework, adopted by financial institutions, for determining, assessing and managing environmental and social risk in projects and is primarily intended to provide a minimum standard for due diligence to support responsible risk decision-making.

The UN Global Compact is the world's largest corporate sustainability initiative. It is a call to companies to align strategies and operations with universal principles on human rights, labour, environment and anti-corruption. The Ten Principles of the UN Global Compact aims to help advance societal goals.

The safety and health of the Group's employees is a priority. Tharisa Minerals is proud of its track record in minimising its environmental impact and, while it strives to improve further, it takes similar pride in its mature and mutually beneficial relationships with the communities that border the Tharisa Mine.

Tharisa not only understands its obligations to create social capital as enshrined in the MPRDA, but strives to achieve these obligations in ways that create ongoing positive social impacts.

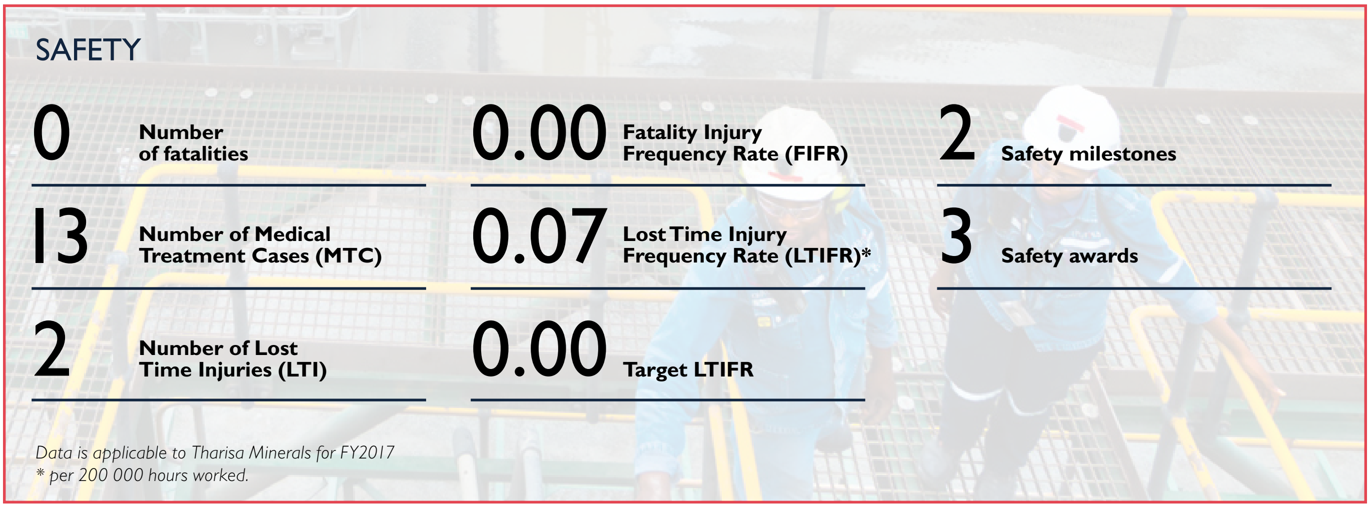
THARISA'S CREATION OF SHARED VALUE



SAFETY AND HEALTH

Safety and Health

Tharisa's business is reliant on a healthy, skilled, trained and committed workforce. The safety of the Group's people is of the utmost importance to Tharisa and takes precedence over all production objectives. Tharisa aims to mine, process, market and distribute its product to customers without harming anyone.



SAFETY

0	**Number of fatalities**	**0.00**	**Fatality Injury Frequency Rate (FIFR)**	**2**	**Safety milestones**
13	**Number of Medical Treatment Cases (MTC)**	**0.07**	**Lost Time Injury Frequency Rate (LTIFR)***	**3**	**Safety awards**
2	**Number of Lost Time Injuries (LTI)**	**0.00**	**Target LTIFR**		

Data is applicable to Tharisa Minerals for FY2017
** per 200 000 hours worked.*

Tharisa Minerals' safety performance compares well against those of comparable resources companies. In recognition of these achievements, Tharisa Minerals was awarded the Best Safety Performance in Class award at Mine Safe 2016. During 2017 Tharisa Minerals was awarded the following awards:

- MHSC Award for 2 000 Fatality Free Production Shifts
- Mine Safe Award for Best Safety Performance in Class
- Mine Safe Award for Best Improved Performance

Tharisa is pleased to report that there were no fatalities during FY2016 and FY2017. While open cast operations are considered safer than underground mining operations, Tharisa Minerals has taken extra care to ensure its processes and policies are adhered to and that its employees are kept abreast of potential safety hazards through continual training. Focus in 2017 was also placed on accountability. Supervisors continued to be trained on what their roles and responsibilities were and they were held accountable for their actions.

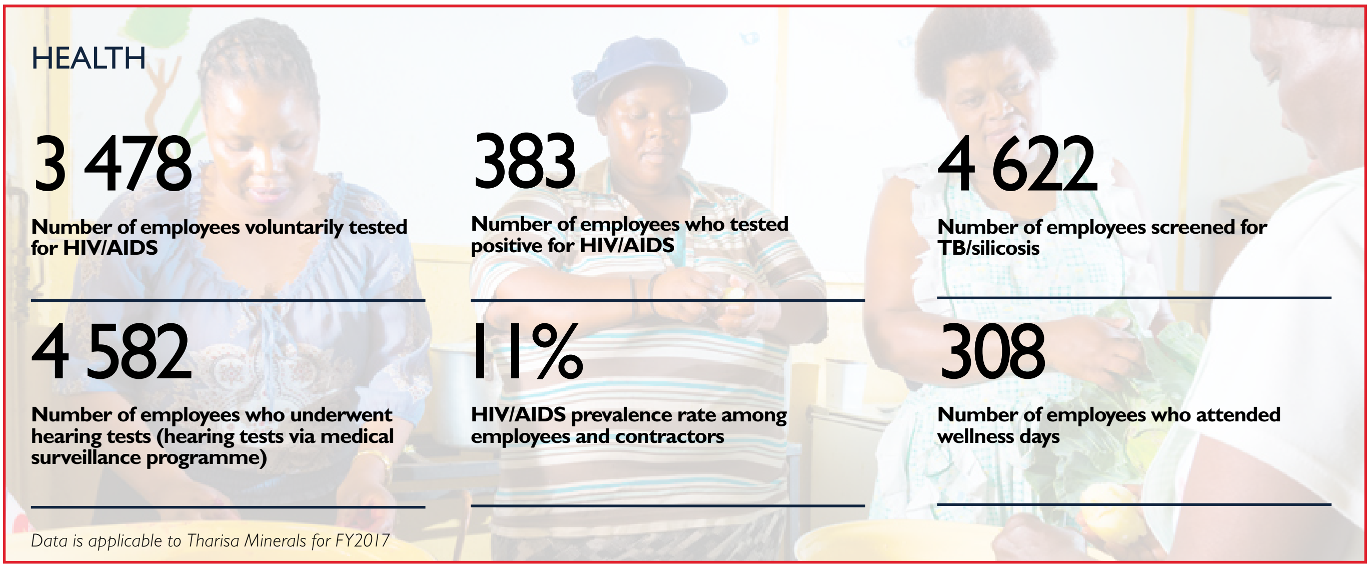
The Safety, Health and Environment Committees at both the holding company and operating subsidiary levels are responsible for overseeing compliance with health and safety legislation and policies. All mining and processing employees, including contractors, receive safety training. Where injuries have occurred, Tharisa Minerals' focus has been on completing effective investigations and root cause analysis so as to prevent repeat incidents from reoccurring.

At 30 September 2017, Tharisa Minerals achieved 13 726 089 fatality free hours and 1 533 794 fatality free shifts. This compares to the 6 792 443 fatality free hours and the 754 716 fatality free shifts achieved in the prior year.

The Group employs a Safety Management System. The system requires a baseline risk assessment to identify the major risks at the operation. These risks are then examined further by conducting issue-based risk assessments and identifying appropriate control measures to ameliorate the risks. Measures can include standards and procedures updates, as well as training lesson plans. To ensure compliance, a system of "over-inspection" by supervisors and safety staff is implemented and records kept of the same. Further mitigation measures include visible felt leadership and ongoing training.

As required by South African regulations, Tharisa Minerals has established a mine Safety and Health Committee that approves and implements all mandatory safety training. Safety staff oversees inspections of actual work performance and site conditions and also identify and allocate any necessary corrective actions.

Tharisa is 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 the 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 through a strong focus on prevention through education and awareness initiatives.



HEALTH

3 478
Number of employees voluntarily tested for HIV/AIDS

383
Number of employees who tested positive for HIV/AIDS

4 622
Number of employees screened for TB/silicosis

4 582
Number of employees who underwent hearing tests (hearing tests via medical surveillance programme)

11%
HIV/AIDS prevalence rate among employees and contractors

308
Number of employees who attended wellness days

Data is applicable to Tharisa Minerals for FY2017

Anti-retroviral treatment (ART) is offered to all eligible persons and the programme is managed through our wellness service provider.

The HIV prevalence rate among Tharisa Minerals' own employees is 8.3%. The prevalence rate including contractors is 11%. This information is derived from medical examinations which all employees undertake (initial, periodical and exit medicals) at which employees, including contractors, are encouraged to undergo voluntary counselling and testing (VCT). In addition to this, Tharisa Minerals employees attend a Wellness Day and a World HIV/AIDS day at which VCT engagements are undertaken. Through this process every employee that tests positive is encouraged to participate in the ART 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. Campaigns have included cancer awareness presentations and World AIDS Day HIV awareness education and counselling.

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 46 peer educators. In 2017, the peer educators underwent refresher training.

The Tharisa Mine has also implemented random testing for drugs and compulsory testing for alcohol in a bid to ensure the safety of all employees. Employees who test positive are not permitted on site and are subject to disciplinary procedures. They are also offered counselling and/or rehabilitation.

HEARING

The 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, 3 000 and 4 000 Hz in one or both ears by December 2016. This milestone is monitored during annual medical examinations. High noise zones have been identified and Tharisa Minerals ensures personnel working in high risk areas are issued with personalised hearing protection. The issuing of personalised hearing protection has now been extended to the medium risk areas too.

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 already achieved this target ahead of the deadline. Engineering staff continue to ensure that all new equipment meets this requirement.

TUBERCULOSIS

Tharisa Minerals actively campaigns to increase 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 national incident rates 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 then conducted on employees who are potentially at risk of having TB.

Isolated cases of TB have been detected, however, the outcomes of the investigations have indicated they were non-work related cases. The individuals were treated and have all returned to their working environments.

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

HIV

As legislated, HIV screening is voluntary. Tharisa Minerals actively campaigns to increase awareness of HIV, its cause, its symptoms and its treatment. All employees, including contractors, are encouraged to participate in screening.

All of the Tharisa Mine's mining and processing employees are offered Hematocrit blood tests annually and all eligible employees are counselled and are asked if they would like to join an ART Programme, which is run and managed by a third party service provider, Calibre. Tharisa Minerals and Calibre work together to increase the uptake of anti-retroviral treatment. These interventions include pre-and post-test counselling, awareness programmes, roadshows and are a focus of the Peer Educator Programme.

HIV statistics are based on HIV testing done during medical examinations. The following wellness campaigns were held during 2017:

- An HIV and TB campaign was held in January 2017. All employees (including contractors), whether status known or unknown, were encouraged to participate in a screening process. While pre-counselling is compulsory, the actual testing is not compulsory and therefore the prevalence rate is based on the number of employees tested and not on the total number of employees
- Sexually Transmitted Infections (STI) Awareness – February 2017
- Flu vaccines – April 2017
- Family fun run – 13 May 2017
- Wellness Day – September 2017

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 OEL of 0.05 mg/m^3 by December 2024. Tharisa Minerals is using quality dust masks and compliance is monitored during visible field leadership and inspections. Tharisa Minerals complies with the 95% as stipulated in the milestone.

HUMAN RESOURCES

Human Resources Development

Tharisa's employees are the heart of its business and operations. Employees are vital to the Group's success and crucial to its future. Aligning individual growth to corporate growth fosters a happy environment in which all individuals seek to be part of the Group's success.

HUMAN RESOURCES

89%	**HDSA**	1 543	**Number of permanent employees**	18%	**Women**
67%	**HDSA management – top management (Patterson Grade F)**	724	**Number of permanent contractors**		
50%	**HDSA management – senior management (Patterson Grade E)**	0	**Lost days due to labour action**		

Synopsis of Tharisa Minerals' employees, permanent contractors and the status of employment equity in FY2017

EMPLOYEES

As a result of the mechanised mining and processing operations at the Tharisa Mine, Tharisa Minerals has a skilled labour force of direct and contractor employees.
The mechanised nature of the mining and processing activities at the Tharisa Mine necessitates skilled labour and Tharisa Minerals has embarked on training and development programmes, apprenticeships, internships, artisan programmes, mentorships and bursaries to procure and maintain the required skills necessary to ensure its success.

Subsequent to the announcement that Tharisa Minerals was to implement its vision of becoming an owner miner, the historic BMI and MCC employees situated at the Tharisa Mine were transferred to Tharisa Minerals' business as from 1 May 2017 and 1 October 2017, respectively.

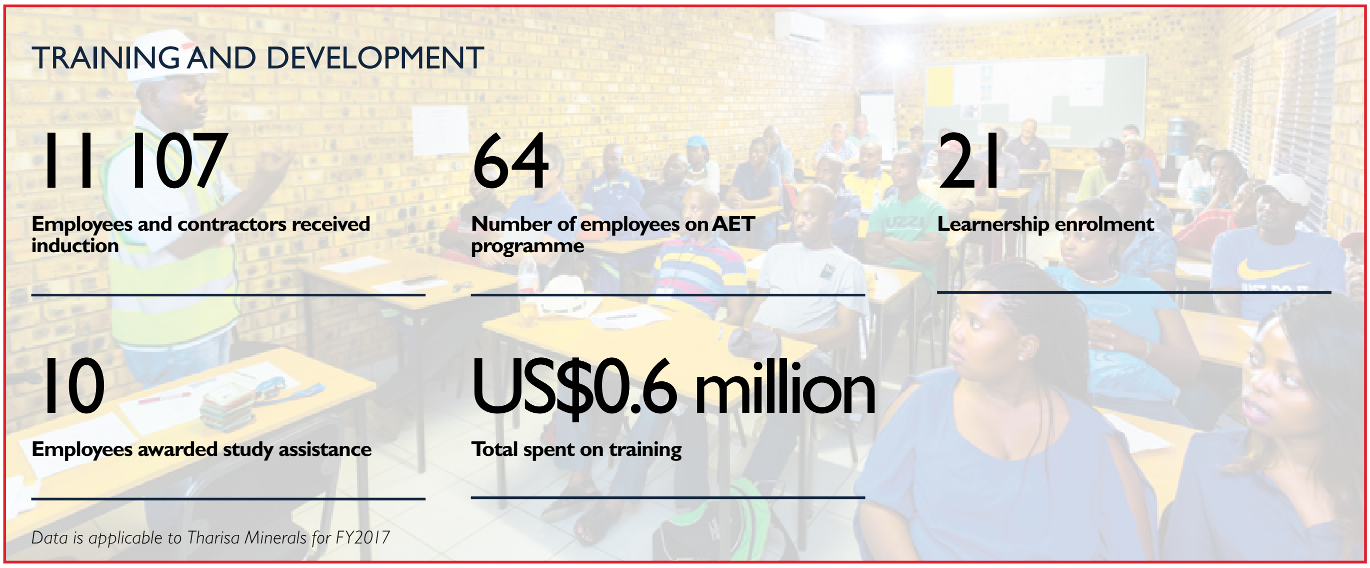
It is worth noting that the significant reduction of the permanent contractors on site from 1 685 in FY2016 to 724.
This significant reduction of contractors is due to the Section 197, of the South African Labour Relations Act, transfer of *ex* BMI and MCC employees to Tharisa Minerals during and post year end.

HUMAN RESOURCES DEVELOPMENT (HRD)

In line with its vision to train and develop a world class workforce, the Tharisa Minerals' HRD department has been accredited to provide recognised training by the Mining Qualifications Authority (MQA), as well as ISO 9001:2008 certification. The training centre facilities have been upgraded so that Computer Based Training (CBT) has replaced manual systems. Employee "History of Learning" and competency status is now monitored.

Built on previous year's successes, the SLP component of Adult Education and Training (AET) has grown in leaps and bounds from 13 community learners to 60. Stipends of ZAR500 are paid to learners who pass two mandatory learning areas for each level in line with the MQA guidelines.
The majority of Tharisa Minerals' employees have approved individual development plans. Tharisa Minerals' culture, processes, and procedures are maintained through structured interventions like "Care and Growth". Plans are at an advanced stage to conduct standard operating procedures (SOP) through CBT in FY2018.

TRAINING AND DEVELOPMENT



11 107
Employees and contractors received induction

64
Number of employees on AET programme

21
Learnership enrolment

10
Employees awarded study assistance

US$0.6 million
Total spent on training

Data is applicable to Tharisa Minerals for FY2017

An integrated HRD programme has been formulated and implemented to maximise the productive potential of people involved with Tharisa Minerals through:

- AET training
- Skills programmes
- Learnerships
- Internship and bursary plans

AET TRAINING

Tharisa promotes AET to assist its employees in becoming literate in terms of language and numeracy. AET programmes have been implemented for employees within Patterson grading A and B. AET classes provide employees with opportunities for either learning or improving their educational levels up to AET level 4 (NQF Level 1) and are compliant with the set standards of the MQA. Classes are available outside working hours. The table below shows the programmes facilitated in the AET training:

AET LEVEL	COURSES	DURATION
Level 1	Mother tongue, English and numeracy	One year
Level 2	English and mathematics	One year
Level 3	English and mathematics	One year
Level 4 (NQF 1*)	English and mathematics	One year

* *National Qualification Framework (NQF)*

The table below shows the AET enrolment statistics for 2017:

AET LEVEL	ENROLMENTS	COMPLETED
Level 1	2	1
Level 2	14	6
Level 3	14	2
Level 4 (NQF 1)	5	0

SKILLS PROGRAMME

Tharisa Minerals complies with the Skills Development Act and commits to the implementation of skills development programmes in accordance with the standards of the MQA. Tharisa Minerals complies with skills development legislation including developing and submitting the workplace skills plans and annual training reporting, paying and claiming of levies and grants with the SETA(s) with which Tharisa Minerals is registered. The Workplace Skills Plan has been submitted to the MQA in May 2017. The levy for the submission of this plan has been claimed and paid.

The Workplace Skills Plan, which helps identify employee skills gaps, forms the basis for formulating appropriate and contextually relevant skills development programmes. Each programme that is proposed is registered with the MQA and constitutes a credit towards a National Qualifications Framework (NQF) qualification.

HUMAN RESOURCES CONTINUED

Tharisa is passionate about improving the skills and knowledge of its employees. This year Tharisa Minerals spent 5% of its wage bill on training and development, an amount of US$0.6 million. This spending included training in SOPs and is well above South Africa's regulatory requirement of 1% of a company's total salaries or wage bill to the skills development levy every month.

LEARNERSHIPS

Tharisa Minerals currently provides learnership programmes for internal employees and the local community. The learnership programme includes, but is not be limited to the:

- Mining programme – a learner miner will undergo training at the training centre and practical on the job training will be done at the mine to equip the learner to manage a production section. Depending on the competence of a learner, it takes a period of 12 months to qualify as a miner.
- Engineering programme – learners participating in the engineering programme are divided into electricians, fitters, boilermakers, millwrights, instrumentation and diesel mechanics. A competent engineering student takes a period of three years to complete his or her training. If a student has worked sufficient shifts and wants to qualify as an artisan, this can be achieved in a shorter period of time based on the recognition of prior learning in terms of section 28 of the Skills Development Act. Tharisa Minerals had 11 learners, six recruited internally and five recruited externally in FY2017.

Offering learnerships to employees enables them to become qualified miners and artisans (electrical, boiler making, fitters and diesel mechanics), with prospects for further development in various career paths, depending on their performance and aspirations.

Tharisa Minerals has learnership programmes that complies with the NQF qualification for the learner. These learnerships are registered with the MQA and will be demand-led in that they will address the identified educational and workforce needs of the Tharisa Mine and the industry as a whole.

Tharisa Minerals committed to the following as part of its learnership programmes:

- Providing the learner with appropriate training in the working environment
- Providing adequate learner supervision
- Conducting on-the-job assessments of learners on an ongoing basis
- Providing records of progress and facilitating discussions regarding learner progress and
- Issuing certificates of training and service experience to the employees.

The primary aim of the learnership programmes is to enable the learner to assume a higher level of responsibility within the workplace and in this way develop specialist and technical skills. Critical focus is given to the transfer of skills and experience through broad-based mentorship. These learnerships also aim to facilitate the entry of HDSAs into the minerals and mining industry.

INTERNSHIP AND BURSARY PLANS

The internship and bursary plan supports the skills development plan and provides opportunities for entry to and development in the professional disciplines of engineering, mining, plant processing and other professional fields.

Through its SLP, Tharisa Minerals has developed an internship and bursary plan which conforms to the skills development plan, and which focuses on building capacity in various skills and careers for HDSAs. Through offering the opportunity of internships to unemployed graduates, Tharisa Minerals increases these participants' chances of finding employment in the future.

The Tharisa Mine offers experiential training for students who are on tertiary level in the core mining disciplines. These internship students receive a stipend of ZAR7 000 per student per month in line with the regulations stipulated by the MQA.

In FY2017, Tharisa had five interns and 19 graduates from the local communities in the vicinity of the Tharisa Mine specialising in the following disciplines:

- Mining
- Metallurgy
- Engineering (mechanical, electrical and chemical)

Tharisa Minerals bursary scheme makes it possible for selected learners (excluding employees) to study full time. Employees wishing to further their studies do so on a part-time basis. In FY2017 there were 10 employees studying at different institutions in South Africa.

TRAINING CENTRE

To facilitate skills development, Tharisa Minerals has a training centre that offers a number of statutory and developmental training interventions. Officially opened in April 2016, the training centre has become a hub for learning. Accreditation from the MQA was received in July 2017. This allows Tharisa Minerals to insource all of its training, including that for its contracting companies. The training centre is used for induction, safety training and return to work refreshers. In future, the centre will also be used to train AET facilitators. Tharisa Minerals has three registered AET facilitators who provide training to employees and members of the community.

BLACK ECONOMIC EMPOWERMENT

Tharisa Minerals complies with the HDSA ownership criteria in the Mining Charter through Thari Resources and The Tharisa Community Trust holding 20% and 6% unencumbered equity interests in Tharisa Minerals respectively.

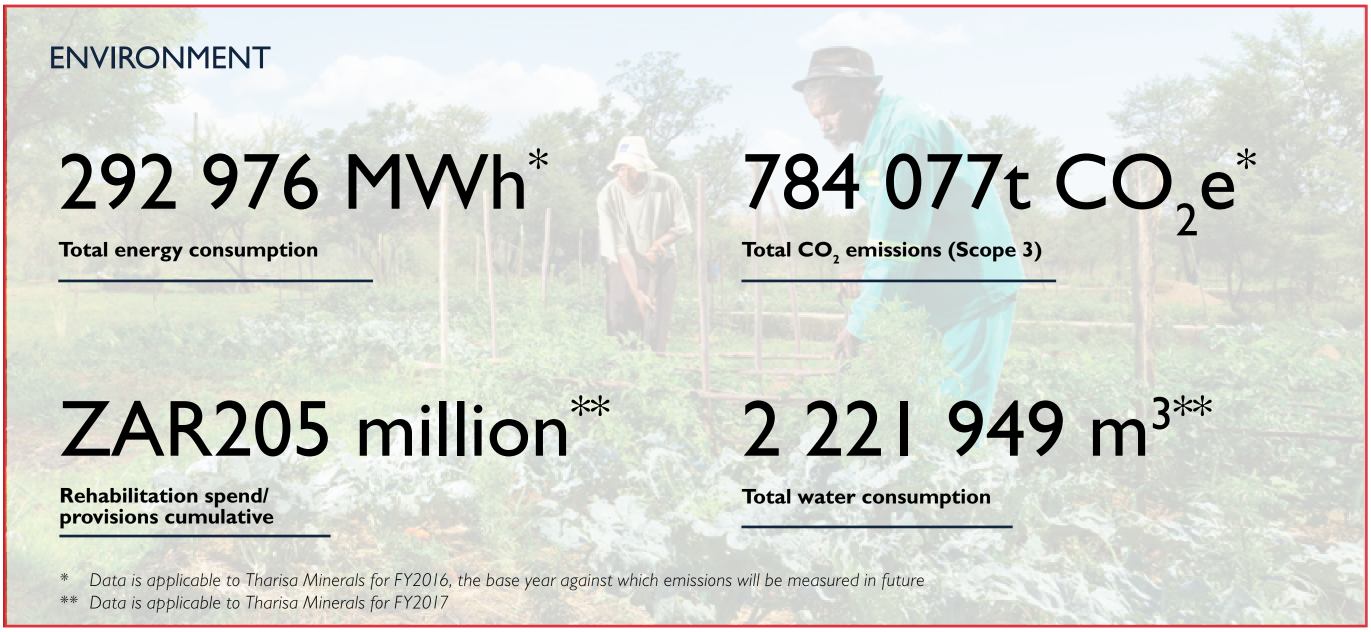
Tharisa Minerals' compliance with the Mining Charter extends beyond ownership to black representation in management, procurement from black-owned companies and a commitment to surrounding communities.

For further information on the SLP, see page 49 and the employment equity statistic on page 40.

ENVIRONMENT

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 the changing costs of energy and water all highlight the business imperative of responsible environmental management.



ENVIRONMENT

292 976 MWh*

Total energy consumption

784 077t CO_2e*

Total CO_2 emissions (Scope 3)

ZAR205 million**

Rehabilitation spend/ provisions cumulative

2 221 949 m^3**

Total water consumption

* *Data is applicable to Tharisa Minerals for FY2016, the base year against which emissions will be measured in future*

** *Data is applicable to Tharisa Minerals for FY2017*

Environmental management involves taking measures not only to address security of resource supply (for example 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 this includes the planning, licensing, construction, closure and rehabilitation stages of all operations and projects.

Tharisa Minerals has the relevant and applicable environmental authorisations required for its licence to operate, including an approved Environmental Management Programme Report (EMPR) in terms of MPRDA, a positive Record of Decisions in terms of National Environmental Management Act (NEMA) and an Integrated Water Use Licence (IWUL) under the National Water Act (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 changing legislation
- managing and minimising waste streams
- implementation of the new regulations on financial provision for rehabilitation – ensuring compliance and appropriate funding mechanisms to provide adequately for concurrent rehabilitation, as well as rehabilitation at mine closure and post-closure stages
- climate change and the effects thereof.

ENVIRONMENT CONTINUED

Water management remains a key challenge for Tharisa Minerals' operations. While water scarcity is not currently a challenge, it does pose a potential constraint on current production and future expansion, and water availability is 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 dependent on a reliable and sufficient supply of energy. Interruptions to energy supply have the potential to affect production efficiencies and can impact 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 the business include the Carbon Tax Bill, the Greenhouse Gas Reporting Regulations, company level carbon budgets and the revised financial provisions for rehabilitation and closure.

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

The Board ultimately holds responsibility for sustainable development and delegates the monitoring of this area to the SHE Committees at both the Tharisa and the Tharisa Minerals board level. The environmental co-ordinator, together with the SHE Manager, is responsible for managing and reporting on environmental performance, impacts and mitigation, as well as ensuring that all operations are legally compliant with all 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 Operations Director of Tharisa Minerals and the Group Chief Operating Officer. A SHE policy has been developed and signed off by the Operations Director and union representatives in the year under review. Employees and contractors receive environmental training at the initial induction, and through regular refresher courses and job-specific training.

Tharisa Minerals monitors its environmental compliance on an ongoing basis, including the status of its EMPR, IWUL and Environmental Impact Assessments (EIAs). In addition to internal operational compliance monitoring, external environmental compliance audits are conducted biennially (or as specified in the respective environmental authorisations) 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, ZAR3.3 million was spent on environmental management, including among others, pollution control and prevention and environmental operational expenditure (FY2016: ZAR3.5 million).

There were no significant fines or non-monetary sanctions for non-compliance with laws and regulations in the year under review.

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 operations are 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. The Tharisa Mine has undertaken to educate the community and employees on the importance of conservation as source 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 Tharisa Mine and in the neighbouring community of Mmaditlhokwa, which has assisted in creating a greater awareness of this invaluable resource.

Water for the Tharisa Mine's operation is sourced from boreholes strategically drilled within the mining right area, the regional water utility, an allocation from the Buffelspoort Dam as well as water pumped from the opencast pits during mining. All water is re-used and recycled as far as practically possible to achieve effective and efficient utilisation of water resources based on reducing water demand, re-using process water and preventing any discharges to the environment. Dirty and clean water is separated and Tharisa Minerals implements a hierarchy of water use to ensure that "dirty" or process water is recycled for re-use in the operations before clean water is abstracted from the natural environment.

Water consumption is metered as required by the issued IWUL and regular reporting of the quality and quantities of the mine's water is submitted quarterly and annually, respectively, to the Department of Water and Sanitation (DWS). In the year under review, Tharisa Minerals installed flow meters at strategic points in the operations to determine water consumption. The metering data shows an annual consumption of 2 221 949 m^3 from the various sources.

The drought conditions experienced regionally have impacted the availability of water in surface impoundments at the operations. This has forced Tharisa Minerals to be more reliant on groundwater and thus increased its borehole water consumption during the year under review.

Tharisa Minerals has 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 DWS in August 2017. Tharisa Minerals is optimistic that its application for this amendment will be approved soon.

The Tharisa Mine has embarked on providing water for the nearby communities by drilling and equipping boreholes to supply water for domestic purposes. The pumped water is then piped and purified using on-site purification systems 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	FY2017	FY2016
Explosives (tonnes)	**21 740**	12 443

ENERGY

A consistent supply of electricity is critical for efficient mining and beneficiation. Electricity is sourced from the existing Eskom supply. From the Tharisa Mine's on-site substation, power is distributed throughout the mining operations. The most significant impact electricity supply interruptions have on 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 was calculated as part of its baseline GHG inventory in December 2016. Fuels consumed in operations include diesel, acetylene and liquid petroleum gas (LPG). Diesel is the most used fuel (25 180 277 litres) and accounts for 99% of carbon emissions from fuel use.

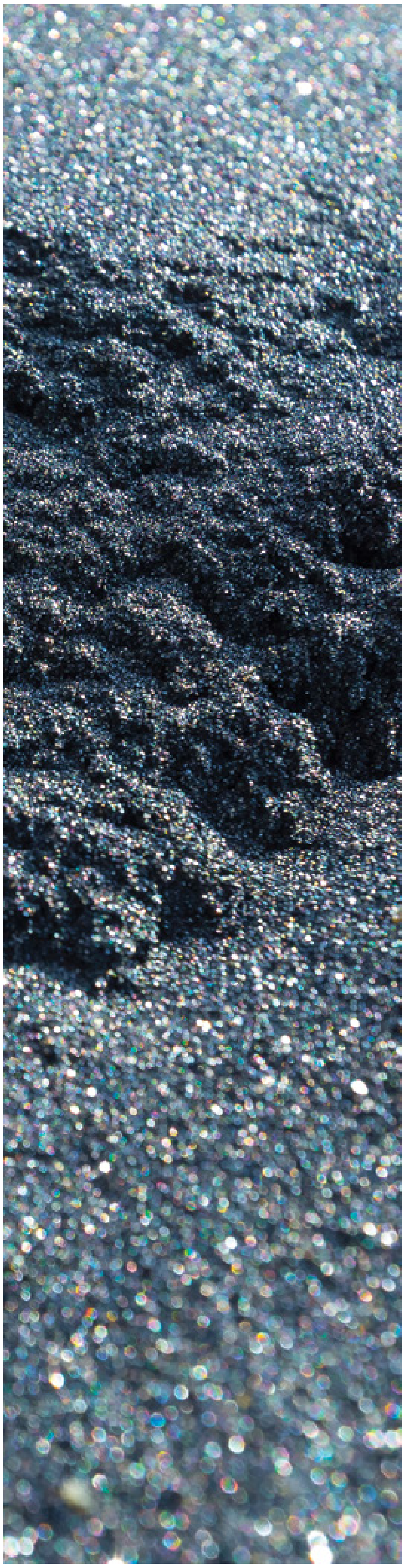
Tharisa Minerals' indirect energy consumption is from of grid electricity. For the baseline year, Tharisa Minerals used 292 976 MWh of electricity. Managing energy consumption also reduces GHG emissions since electricity for South African operations is generated mainly from fossil fuels and is included in Scope 2 emissions below.

CARBON EMISSIONS

The GHG inventory for Tharisa Minerals was calculated for the base year in December 2016 (for the preceding financial year) to estimate the carbon footprint of its business activities. These calculations will be updated annually going forward and will be used to conduct an energy optimisation study 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.

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 off 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 on site, 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 FY2016 is provided in the infographic below. The FY2017 assessment will be conducted in December 2017.

PER SOURCE:

1. Process of sold products

448 502 t CO_2e

2. Electricity

281 960 t CO_2e

3. Fuel and energy related activities

166 573 t CO_2e

4. Downstream transportation and distribution to buyer

137 697 t CO_2e

Direct emissions arise from fuels purchased and combusted by Tharisa Mine. Much of Tharisa Minerals' operations are contracted out and thus the most of Tharisa Minerals' emissions are indirect (e.g. from processing of solid products, purchased electricity, fuel and energy related activities of the contractors)

PER SOURCE:

Scope 1: 3 791 tCO_2e	Direct emissions from combustion of fuels
Scope 2: 281 960 tCO_2e	Energy indirect emissions from purchased grid electricity
Scope 3: 784 077 tCO_2e	Other indirect emissions in the value chain

Tharisa Minerals' direct (Scope 1) emissions for FY2016 amounted to 3 791 tCO_2e. The direct emissions of the Tharisa Mine are relatively small, as most of the emissions of the mining operations are the contractors' emissions as they purchase the majority of the fuels. This is reflected in the Scope 3 emissions of the mine. Energy indirect (Scope 2) emissions amounted to 281 960 tCO_2e. The emissions are related to the electricity consumption at the Tharisa Mine, and are relatively high due to the predominantly coal-fired and emissions intensive electricity grid in South Africa. The Scope 3 emissions amounted to 784 077 tCO_2e in FY2016.

Scope 3 reporting is part of the voluntary reporting section of a company's GHG inventory. However, having maturity within Tharisa Minerals' Scope 3 reporting allows it to better understand the emissions throughout the value chain of its business.

AIR QUALITY

Dust originating from the 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 reduces fugitive dust levels from the respective crushers, conveyors and transfer points. Dust generated on unpaved roads is suppressed using water bowsers to wet the roads. 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 as stipulated in the National Environmental Management Waste Act (NEMWA). Any future mine residue deposits or stockpiles will be subject to a waste management licence application process.

Domestic waste generated at the operations is disposed of in licensed 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 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 developed to give management a better sense of volumes of waste generated on site in order to effectively manage our waste generated.

Tharisa Minerals will report on waste volumes in future reports. In the next financial year, the focus will be on operational efficiencies, which will include reducing the amount of waste produced as well as recycling wherever possible, including paper, oil and scrap metal. Mine residue, including tailings, has historically been excluded from waste inventories but will be included in future as required under the new regulations in terms of the NEMWA.

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 busy with the implementation of biodiversity management programmes. The BAPs include commitments to conserve protected areas such as wetlands, zones of endemism, archaeological and heritage sites, 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 DMR.

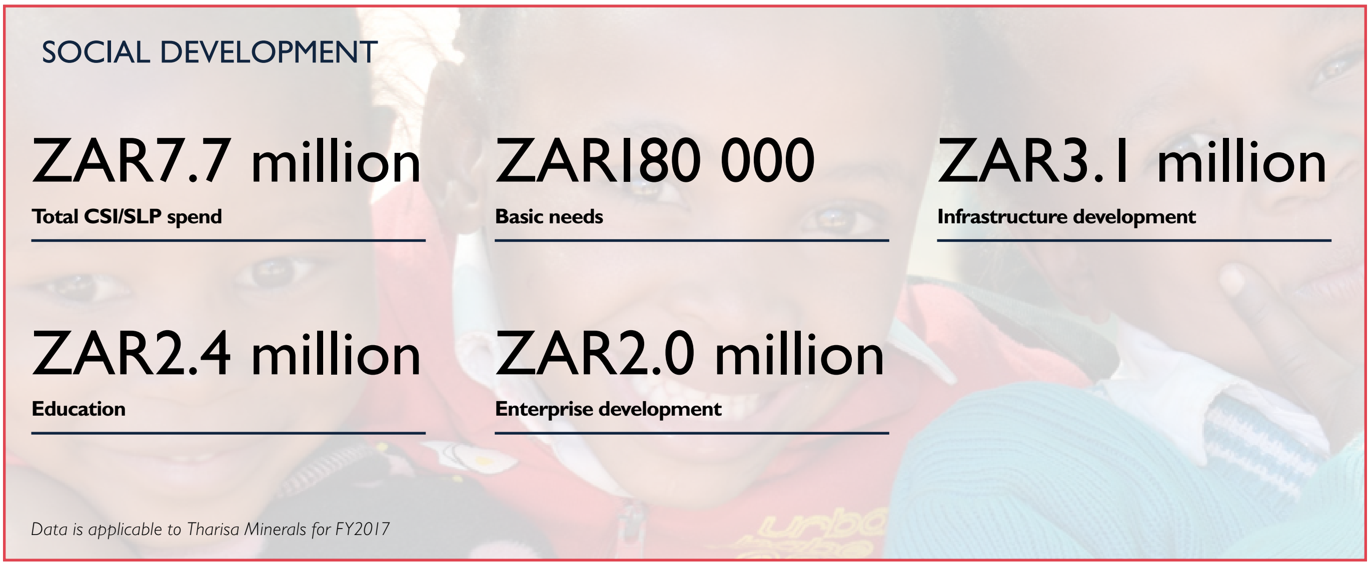
At year end, the total mine closure and environmental rehabilitation provision (in terms of the DMR requirements) amounted to ZAR205 million. This cumulative amount represents an additional provision of ZAR36 million (FY2016: ZAR169 million).

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 South African Chamber of Mines is engaging with the DMR 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 DMR by February 2019.

SOCIAL DEVELOPMENT

Social Development

Tharisa is committed to the socio-economic upliftment of the host communities in which the Tharisa Mine operates and strives to minimise potentially negative social impacts while promoting opportunities for the local communities in its areas of operation. Tharisa Minerals is committed to community initiatives through its SLP, which addresses job creation, poverty alleviation, basic infrastructure, education and development needs.



SOCIAL DEVELOPMENT

ZAR7.7 million
Total CSI/SLP spend

ZAR180 000
Basic needs

ZAR3.1 million
Infrastructure development

ZAR2.4 million
Education

ZAR2.0 million
Enterprise development

Data is applicable to Tharisa Minerals for FY2017

COMMUNITY

Tharisa Minerals is situated in the Bojanala District Municipality within the Rustenburg Local Municipality, close to the town of Marikana. The Tharisa Mine's immediate neighbour is the community of Mmaditlhokwa. Approximately one-third of employees at Tharisa Minerals are from this community.

Tharisa Minerals' strategy for social and economic advancement of host communities is informed by the local municipality's Integrated Development Plan, and is translated into action through local initiatives incorporated into the mine's SLP. Key municipal initiatives include local economic development projects, bursary awards to local qualifying Grade 12 students, internships, work integrated learning opportunities, and apprenticeship opportunities for youths.

COMMUNITY RELATIONSHIPS

Tharisa Minerals prefers to work directly with its host communities rather than through charitable organisations. In this way Tharisa Minerals engages more immediately and intimately with these communities.

Within ward 32, the municipal area in which the mine operates, there are a number of villages and small holdings. This has resulted in a diverse range of stakeholders ranging from employee families to farmers. Tharisa Minerals has engaged with both the small farm owners and communities in a bid to address their diverse needs and cultures.

The small farm owners have formed a representative engagement structure while the broader community is represented by an elected ward committee, led by a ward councillor.

Monthly meetings are held with the ward committee to address issues affecting both the Tharisa Mine and the surrounding communities.

Mine management is proactive in building and maintaining stakeholder relationships with the local communities and a dedicated management team has been mandated to monitor, measure and manage the social and economic impacts in terms of SLPs and other CSI initiatives.

Tharisa Minerals has established an engagement forum, which liaises with the steering committee for the local community neighbouring the Tharisa Mine. On a more formal level, Tharisa Minerals maintains its relationship with the community through a dedicated community liaison officer and via engagement forums, which include the local municipality.

SOCIAL AND LABOUR PLAN AND CSI

Tharisa Minerals continues its commitment to community initiatives through its social and labour plan to address job creation, poverty alleviation, basic infrastructure and education and development needs.

Consistent with its corporate and social responsibility, the Group established The Tharisa Community Trust, which holds a direct, unencumbered 6% equity interest in Tharisa Minerals, for the benefit of members of the local community in which the Tharisa Mine is located.

Tharisa Minerals aims to recruit from the local communities and surrounding areas to the extent possible. To this end, a number of programmes have been implemented to train the youth in the communities in order to provide them with the necessary skills to make them employable, not only by Tharisa Minerals, but also by other mines in the area.

During FY2017, 60 community members benefited from basic numeracy and literacy training provided by Tharisa Minerals at no cost to the beneficiaries. Other human development interventions include the awarding of five engineering learnerships.

All five engineering learnerships were awarded to members of the local community and on completion of their training, these learners will qualify as fully fledged artisans. The interns are recently qualified graduates who require workplace experience prior to entering the job market. Although these have been sourced nationally, 46% of them are from the North West province, the province where Tharisa Mine is situated.

Being a highly mechanised operation, the Tharisa Mine is not labour intensive, making it impossible for Tharisa Minerals alone to meet the employment needs of the local communities. A database from which people are identified for recruitment and training interventions has been established by Tharisa Minerals, in collaboration with the local communities.

HUMAN RIGHTS

Human Rights

Tharisa is committed to the upholding of human rights. It is vehemently opposed to modern slavery and human trafficking and undertakes to ensure that none of its businesses are or ever will be involved in human rights violations. It endeavours to raise awareness of human rights among its staff, suppliers and the communities in which it operates.

While Tharisa does not consider there to be a risk of slavery or human trafficking within its operations or supply chain, it does proactively ensure that all its suppliers comply with local and international legislation through risk identification, policies and due diligence processes carried out as part of business supply chain management.

Tharisa has internal policies in place to ensure that it is conducting business in an ethical and transparent manner. These include:

SUPPLIER MANAGEMENT

Tharisa's goods and services suppliers are closely managed by the Group through its financial and procurement departments. All new suppliers undergo a rigorous vetting process which include bank and background checks before they are allowed to become an approved supplier or vendor. Tharisa maintains good relationships with all its suppliers and encourages open dialogue so that any potential risks to either business can be identified as they arise.

ANTI-CORRUPTION POLICY

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 is built into its Code of Business Conduct and Ethics. It outlines potential risks, steps to mitigate the risk of bribery and corruption, and a reporting guideline. A detailed bribery risk assessment is performed regularly to determine whether further mitigation measures are needed to stamp out any unlawful behaviour. All employees, suppliers and other associated persons are made aware of these policies and procedures with regard to ethical behaviour, business conduct and transparency.

WHISTLEBLOWER POLICY

The Safety and Ethics hotline was established with the aim to enhance an honest work ethic and simultaneously provide employees with a mechanism to bring any unethical business practices or safety concerns to the attention of management. The hotline allows employees to raise concerns about any untoward conduct, the treatment of colleagues or practices within the business or supply chain, without fear of reprisals. It is overseen independently by KPMG and operates 24 hours a day, seven days a week, 365 days a year.

RECRUITMENT POLICY

Tharisa has a robust recruitment policy in place to ensure that potential employees are screened ahead of joining the group. The recruitment process certifies that potential employees carry valid identity documents or passports and have not been convicted of a crime. This allows the Group to safeguard against human trafficking and ensure individuals are not being forced to work against their will.

CODE OF BUSINESS CONDUCT

This code reaffirms the high standards of business conduct required of all employees, officers and directors of Tharisa. It was created as part of Tharisa's continuing effort to ensure that it complies with all applicable laws and that it has an effective programme to prevent and detect violations of law, and for the education and training of employees, officers and directors.

STAKEHOLDER ENGAGEMENT

Tharisa believes that stakeholder engagement is a business imperative and that strong lines of communications between stakeholders ensure the success of the Group and secure its place among the community. The Group's stakeholder engagement strategy aims to ensure that it maintains good working relations, manages social risk and develops solutions to social challenges faced by its stakeholders.

SHAREHOLDERS

- Interim and annual reporting
- Quarterly production updates
- Company website
- AGM
- SENS/RNS announcements
- Annual Report

CUSTOMERS

- Regular electronic and telephonic communication
- Customer site visits
- Commodity conferences

GOVERNMENT

- Monthly, quarterly and Annual Reports to DMR
- Regular engagement with local and provincial government
- Scheduled and unannounced site visits by regulators

EMPLOYEES

- Regular employee engagement forum meetings at the Tharisa Mine
- Tharisa Minerals newsletters and posters
- Tharisa Minerals induction and ongoing skills development training
- Company website
- Daily supervisor/manager interaction
- Ongoing safety training on the Tharisa Mine
- Tharisa Minerals wellness programmes and campaigns

SUPPLIERS

- Procurement policies, tender process
- Verbal and electronic communication
- Contract terms negotiated and agreed
- Standard contract terms for suppliers of goods

SOUTH AFRICAN SOE

- Regular face-to-face meetings
- Electronic communication
- Joint task team with Transnet to develop siding

COMMUNITIES

- Adult education and training, 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

FINANCIERS

- Reporting on a monthly, biannual and annual basis
- Presentations and meetings with management
- Tharisa Mine site visits by senior debt providers at least twice a year
- Telephonic and electronic communication, particularly on working capital facilities
- Annual review of working capital facilities

LABOUR UNIONS

- Union recognition and negotiations by Tharisa Minerals
- Monthly liaison with shop stewards
- Regular contact with union leadership
- Labour forum meets once a month

ANALYSTS

- Roadshows and analyst briefings
- Interim and annual reporting
- Annual Report
- Company website
- SENS/RNS announcements

MINERAL RESOURCE AND MINERAL RESERVE STATEMENT

INTRODUCTION

The Mineral Resource and Mineral Reserve of Tharisa Minerals has been prepared under the guidance of the Competent Persons 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 2017.

The previous declaration of the Mineral Resource and Reserve was dated September 2016. The current Mineral Resource declaration relies on the geological model and resource modelling of September 2016 (as there are no additional drill intersections) and the end of FY2017 mining faces. The Mineral Reserve declaration is based on the latest pit design and LOM schedule.

OVERVIEW

When Tharisa was listed on the JSE in April 2014, the Mineral Resource estimation for listing purposes was based on a CPR compiled by Coffey (now Pivot). Subsequently the Mineral Resource and Mineral Reserve has been updated and presented in a CPR in December 2015, which is available on the Company's website, http://www.tharisa.com/pdf/investors/circulars/competent_persons_report.pdf

Since the commencement of operations at the Tharisa Mine, additional geological information has been obtained from observation in the operating pits and resource drilling. During FY2016, an additional 35 diamond drill boreholes were logged and sampled. This borehole information was included in the updated Mineral Resource and Reserve statement. These boreholes are located immediately ahead of the current highwall, along the full strike length of the mine. The results from the samples confirmed the geological assumptions as well as 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.

The Mineral Resource and Mineral Reserve information in the tables on the following pages is based on information compiled by the Competent Persons (as defined by the SAMREC Code).

DEFINITIONS

The SAMREC Code was updated and released in May 2016 and came into effect in January 2017. The declaration of the Mineral Resource and Reserve has been undertaken in terms of the guidelines of SAMREC Code.

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 PERSONS

Ken Lomberg of Pivot Mining Consultants Pty Ltd (previously Coffey Mining South Africa Pty Ltd) is the Lead Competent Person, 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 a BSc (Hons) Geology, BCom and MEng (Mining Engineering). Mr Lomberg is a geologist with 32 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 Solutions. 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. 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.

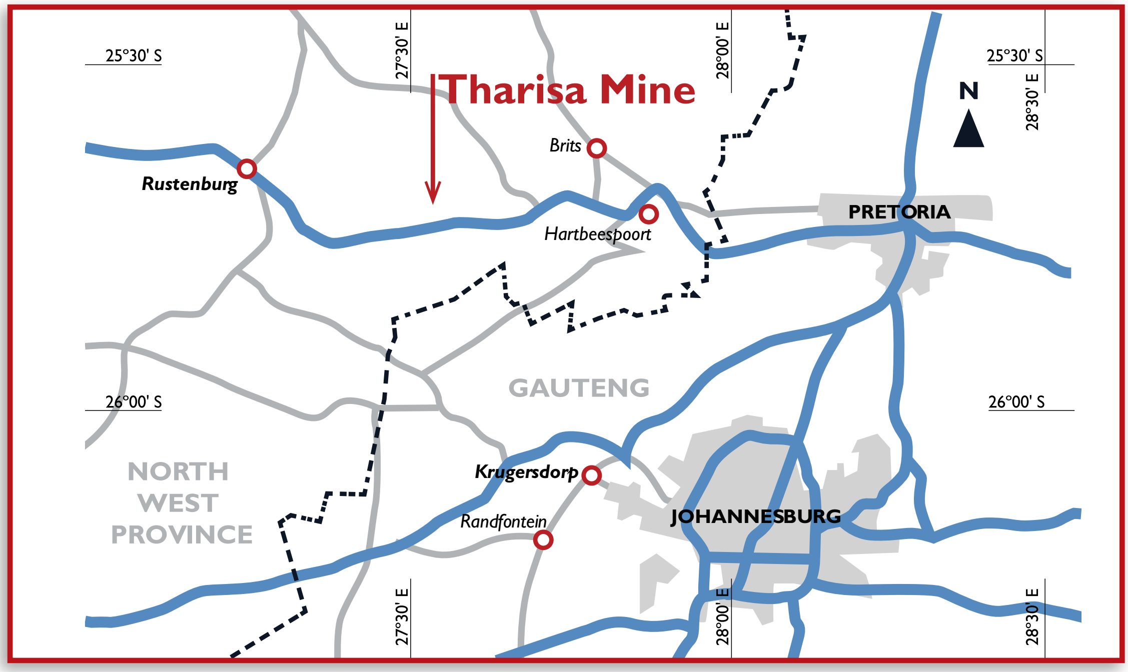
The Company has written confirmation from Ken Lomberg and Jaco Lotheringen that the information disclosed is in compliance with the SAMREC Code and that they have consented to the inclusion of this information in the form and context in which it appears.

MINING RIGHTS SUMMARY

Tharisa Minerals holds a Mining Right, granted by the DMR (then the DME) in terms of the 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).

Figure 1: Location of the Tharisa Mine



MINERAL RESOURCE

Geology and mineralisation

The Tharisa Mine is situated on the south-western limb of the Bushveld Complex, and 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 on the property striking roughly east to west with a gentle change in strike to NW-SE 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 C, B and A chromitite layers), the MG3 Chromitite Layer and the MG4 Chromitite Layer (sub-divided into 4(0), 4 and 4A 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 NW-SE 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 NE-SW 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 only 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 as well as the rest of the Critical Zone below. No new major structural features have been exposed by the current mining operation.

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 Resource Estimate was limited to the area within the planned pit perimeter.

MINERAL RESOURCE AND MINERAL RESERVE STATEMENT CONTINUED

Figure 2: Image of the Tharisa Mine plan showing borehole locations and outcrop positions of UG1 and MG1 Chromitite Layers

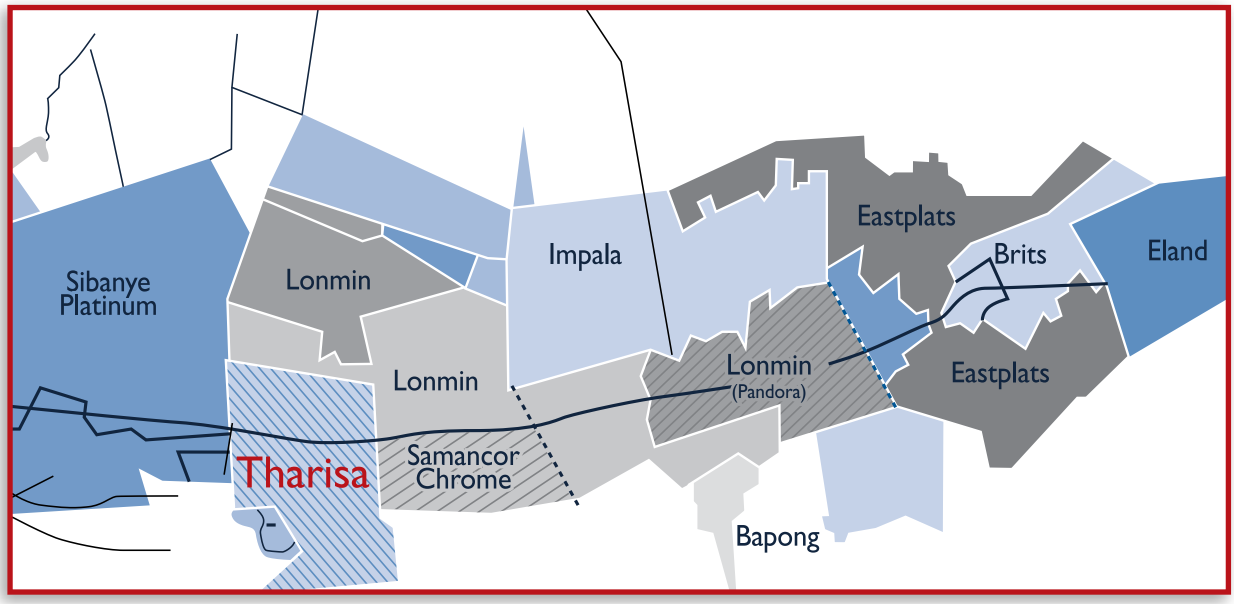
The previous declaration of the Mineral Resource and Reserve was dated September 2016. The current Mineral Resource declaration relies on the geological model and resource modelling of September 2016 (as there are no additional drill intersections) and the end of FY2017 mining faces.

In-pit drilling continues for the purposes of mining operations, mine planning and grade control. Additional resource drilling has been planned for the next financial year.

Prior to the estimation, the data was collated and verified with the necessary 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. Changes to the Mineral Resource declaration are due to the production during the previous financial year, a revision of the UG1 Chromitite Layer declaration and a revision of the Inferred Resource.

Tharisa Minerals Resource at 30 September 2017 is reported inclusive of Mineral Reserve.

Figure 3: Map of the location of the Tharisa Mine



MINERAL RESOURCE ESTIMATE

2017	Measured	Indicated	Inferred	Total
Tonnes (Mt)	67.94	114.47	685.07	867.48
6PGE + Au grade (g/t)	1.79	1.68	1.55	1.59
5PGE + Au grade (g/t)	1.73	1.62	1.50	1.53
3PGE + Au grade (g/t)	1.33	1.23	1.14	1.17
Cr_2O_3 grade (%)	23.78	22.34	20.08	20.67
Contained 6PGE + Au (Moz)	3.9	6.2	34.2	44.3
Contained 5PGE + Au (Moz)	3.8	6.0	33.0	42.8
Contained 3PGE + Au (Moz)	2.9	4.5	25.1	32.6
Contained Cr_2O_3 (Mt)	16.16	25.58	137.59	179.32

2016	Measured	Indicated	Inferred	Total
Tonnes (Mt)	72.6	112.1	693.0	877.7
6PGE + Au grade (g/t)	1.78	1.72	1.54	1.58
5PGE + Au grade (g/t)	1.73	1.66	1.49	1.53
3PGE + Au grade (g/t)	1.32	1.26	1.13	1.16
Cr_2O_3 grade (%)	23.7	22.8	19.9	20.5
Contained 6PGE + Au (Moz)	4.2	6.2	34.3	44.7
Contained 5PGE + Au (Moz)	4	5.9	33.2	43.1
Contained 3PGE + Au (Moz)	3.1	4.5	25.2	32.9
Contained Cr_2O_3 (Mt)	17.2	25.5	137.6	180.3

MINERAL RESERVE DECLARATION

The Mineral Reserve estimate for September 2017 was based on a revised, updated LOM. This re-estimation was underpinned by an updated mining model and incorporates the current economic conditions, current on-mine mining methodology and survey depletion. Various technical aspects were considered in the mine design and schedule including the determination of the economic pit limits, geotechnical parameters, mining methodology and sequence, pit access, ramp placement, equipment capability, production rates and practical mining considerations. The modifying factors applied included geological losses, mining loss, mining dilution and metallurgical recovery. The difference between the 2016 and 2017 Mineral Reserve estimation is the increase in dilution parameters and the inclusion of a dyke in the East pit that was intersected and confirmed through existing mining operations.

The LOM plan was designed to extract the MG Chromitite Layers, firstly from open pit mining to a maximum depth of 200 m and subsequently from underground extraction (MG2 and MG4 Chromitite Layers) by means of a bord and pillar mining method.

The Mineral Reserve tonnage decreased by 2.3% as a result of depletion by mining and treatment, offset by an increase in tonnage caused by an increase in projected dilution. The contained chrome decreased by 9.1% and the contained PGMs (3PGE+Au) ounces by 9.1%. A small proportion (1.9%) of Inferred Mineral Resource (in the Far West pit) was included in the open pit LOM plan but was not considered for the Mineral Reserve estimation. The Inferred Mineral Resource was included in the underground section of the mine plan. If excluded from the underground mine plan, the underground project may not be feasible. The Mineral Reserve declared for the underground project was derived from the Indicated Mineral Resource portion that was included in the underground LOM plan. The underground section is planned to ramp up during the final phase of the open pit operation.

A feasibility study was completed in 2013 for the underground mining of the MG2 and MG4 Chromitite Layers from the limit of the open pit highwall. 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.

MATERIAL RISKS

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 could 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 a value and extended life strategy, sustained low cost and efficient mining with specific focus on waste backfill and processing recoveries is critical to create sustained value from the open pit operation.

MINERAL RESOURCE AND MINERAL RESERVE STATEMENT CONTINUED

REPORTING CODES AND COMPLIANCE

The reporting of Mineral Resource and Mineral Reserve for Tharisa Minerals is declared 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, is based on the Group's environmental policy, taking into account the current technological, environmental and regulatory requirements. Details of the Group's environmental liability and funding can be found in note 22 of the annual financial statements.

MINERAL RESERVE ESTIMATE

OPEN PIT 2017	Proved	Probable	Total
Tonnes (Mt)	51.8	26.6	78.3
5PGE + Au grade (g/t)	1.39	1.38	1.39
3PGE + Au grade (g/t)	1.07	1.06	1.06
Cr_2O_3 grade (%)	19.3	18.3	18.9
Contained 3PGE + Au (Moz)	1.8	0.9	2.7
Contained Cr_2O_3 (Mt)	10.0	4.8	14.8

OPEN PIT 2016	Proved	Probable	Total
Tonnes (Mt)	54.2	26.0	80.2
5PGE + Au grade (g/t)	1.53	1.42	1.49
3PGE + Au grade (g/t)	1.17	1.09	1.14
Cr_2O_3 grade (%)	21.1	18.6	20.3
Contained 3PGE + Au (Moz)	2.04	0.91	2.95
Contained Cr_2O_3 (Mt)	11.4	4.8	16.3

UNDERGROUND 2017	Proved	Probable	Total
Tonnes (Mt)	–	18.7	18.7
5PGE + Au grade (g/t)	–	1.52	1.52
3PGE +Au grade (g/t)	–	1.17	1.17
Cr_2O_3 grade (%)	–	19.3	19.3
Contained 3PGE + Au (Moz)	–	0.7	0.7
Contained Cr_2O_3 (Mt)	–	3.6	3.6

UNDERGROUND 2016	Proved	Probable	Total
Tonnes (Mt)	–	18.7	18.7
5PGE + Au grade (g/t)	–	1.52	1.52
3PGE +Au grade (g/t)	–	1.17	1.17
Cr_2O_3 grade (%)	–	19.3	19.3
Contained 3PGE + Au (Moz)	–	0.7	0.7
Contained Cr_2O_3 (Mt)	–	3.6	3.6

TOTAL OPEN PIT AND UNDERGROUND 2017	Proved	Probable	Total
Tonnes (Mt)	51.8	45.3	97.0
5PGE + Au grade (g/t)	1.39	1.38	1.39
3PGE +Au grade (g/t)	1.07	1.06	1.06
Cr_2O_3 grade (%)	19.3	18.3	18.9
Contained 3PGE + Au (Moz)	1.8	1.61	3.4
Contained Cr_2O_3 (Mt)	10.0	8.5	18.4

TOTAL OPEN PIT AND UNDERGROUND 2016	Proved	Probable	Total
Tonnes (Mt)	54.2	44.7	98.9
5PGE + Au grade (g/t)	1.53	1.42	1.49
3PGE +Au grade (g/t)	1.17	1.09	1.14
Cr_2O_3 grade (%)	21.10	18.60	20.30
Contained 3PGE + Au (Moz)	2.04	1.61	3.65
Contained Cr_2O_3 (Mt)	11.40	8.40	19.90

BOARD OF DIRECTORS

Loucas Pouroulis (79)

Chairman

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 amongst others, Eland Platinum, Tharisa, Kameni, Keaton Energy and TransAfrika Resources. Loucas was appointed to the Board on 27 October 2010.

Phoevos Pouroulis (43)

Chief Executive Officer

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 15 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). Phoevos was appointed to the Board on 27 October 2010.

Michael Jones (54)

Chief Finance Officer

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 and the financial reporting management of the Group. Michael has more than seven years' executive financial management experience in the mining sector. In addition, he has 18 years' experience in investment banking, focusing on mergers and acquisitions and capital raisings of both equity and debt. Michael was appointed to the Board on 30 January 2013.

David Salter (59)

Lead independent non-executive director

Bachelor of Science Engineering (Hons); PhD in Mineral Technology (Imperial College, London); 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 and the 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. David was appointed to the Board on 27 October 2010.

Antonios Djakouris (70)

Independent non-executive director

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. Antonios was appointed to the Board on 11 October 2011.

Executive directors

Independent non-executive directors

Non-executive directors

Omar Kamal (44)

Independent non-executive director

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 20 years' experience in the field of banking, investment management, strategic advisory services and high-growth entrepreneurship. He has served at high growth companies and multibillion corporates in various executive capacities. His regional and international experience extends over a wide array of sectors, including mining, real estate, finance, healthcare and education, across Asia, the Middle East and Europe.

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. In addition, he is an entrepreneur and is actively involved in high-growth technology companies that are involved in scientific innovation and the financial, technology and e-commerce sectors. Omar is a member of the Young President Organisation, previously under the Alpine Chapter in Switzerland, and currently the London Stars Chapter in the United Kingdom. Omar was appointed to the Board on 11 June 2014.

Carol Bell (58)

Independent non-executive director

MA Natural Sciences (University of Cambridge); PhD Archaeology (University College, London)

Carol Bell has more than 35 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 Ophir Energy, Petroleum Geo-Services and Bonheur. She is also a non-executive director of the BlackRock Commodities Income Investment Trust and serves on the board of the Development Bank of Wales. Carol is a trustee of the Renewable Energy Foundation (a UK think tank), the National Museum of Wales, The Wales Millennium Centre, The British School at Athens, and the Institute for Archaeometallurgical Studies. She is also a member of the governing bodies of S4C Authority and the Council of Cardiff University. Carol was appointed to the Board on 22 March 2016.

Joanna Ka Ki Cheng (50)

Non-executive director

Bachelor of Arts (Economics) (York University, Ontario, Canada)

Joanna Cheng, a Canadian national, is a Chartered Accountant and a member of the Institute of Chartered Accountants of Ontario, Canada. She has more than 20 years' experience in business development, investment and management and is the Director (Environment) of NWS Infrastructure Management Limited, a wholly-owned subsidiary of NWS. Before joining the NWS Holdings Limited group, Joanna worked at audit firms in Canada and Hong Kong.

Joanna was appointed to the Board on 1 February 2017. Having been appointed subsequent to the previous AGM, Joanna will retire at the upcoming AGM, and will be available for election. The Board supports Joanna's election.

Roger Davey (71)

Independent non-executive director

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 (C.Eng); European Engineer (Eur.Ing); Member of the Institute of Materials, Minerals and Mining (IMMM)

Roger Davey, a British national, has more than 30 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) 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 US$270 million 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 was appointed to the Board on 1 June 2017. Having been appointed subsequent to the previous AGM, Roger will retire at the upcoming AGM, and will be available for election. The Board supports Roger's election.

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 King IV. Tharisa also has a secondary, standard listing of its Depositary Interests on the LSE and is subject to the LSE Listing Rules and Disclosure and Transparency Rules applicable to a secondary standard listing. In addition, 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 the 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 has undertaken a review of its obligations in the Home State and 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. Whilst 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 is 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 of the South African Code of Corporate Practices and Conduct as set out in King IV, which is effective for financial years from April 2017. The Company's disclosure on its application of King IV principles is set out on pages 70 to 79. The complete disclosure on the application of King IV is available on the Company's website, www.tharisa.com.

The Board is 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 auditors of the Group.

BOARD COMPOSITION

Executive directors

Loucas Pouroulis *(Executive Chairman)*
Phoevos Pouroulis *(Chief Executive Officer)*
Michael Jones *(Chief Finance Officer)*

Independent non-executive directors

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

Non-executive director

Joanna Cheng

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

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 Company's Articles of Association may only be amended by Special Resolution at a meeting of shareholders. The Nomination Committee assists with the process by identifying suitable candidates for appointment as directors. Directors are required to be individuals of calibre and credibility with the necessary skill 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 reviews and assesses the composition of the Board on an annual basis prior to recommending any individual for election or re-election by shareholders at the AGM. The Committee also assesses the structure and composition of the Board on an ongoing basis to ensure it is appropriately diversified with regard to amongst 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 Gender Diversification Policy without introducing a voluntary target. At present, the two female directors represent 22% of the total number of directors and 33% of the non-executive directors.

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 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.

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, based on good communication, and is 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 it operates.

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.

All non-executive directors have unrestricted access to the Chairman, management, the Joint Company Secretaries, 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 Chief Executive Officer.

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 amongst 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 CHIEF EXECUTIVE OFFICER

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

The Chief Executive Officer 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 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
- 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 Chief Executive Officer 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 Chief Executive Officer.

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 Chief Executive Officer and leads the non-executive directors in the appraisal of the Executive Chairman and Chief Executive Officer. 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 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 Chief Executive Officer and serve on various board committees. Non-executive directors meet without the presence of the executive directors at least twice a year.

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 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 would typically involve an information pack comprising of, *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 accordance with the Company's Articles of Association, one-third of non-executive directors must retire from office at each AGM. The non-executive directors retiring at each AGM will be 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. Executive directors are not subject to retirement by rotation.

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 the next AGM of the Company following their appointment and shall then retire and be eligible for election. Having been appointed during the financial year under review, Joanna Cheng and Roger Davey have made themselves available for election. A brief *curriculum vitae* of each director standing for re-election appears on pages 58 and 59.

Board support for election or 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. Having assessed the performance of the directors standing for election, it is the recommendation of the Board that they be elected.

BOARD MEETINGS

The Board meets 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.

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. 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 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 Joanna Cheng Roger Davey	COO Group Executive: Legal
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
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

CORPORATE GOVERNANCE CONTINUED

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 members of the Committee have the appropriate mix of qualifications and experience in order to fulfil their responsibilities appropriately.

The Group's independent external auditors, independent internal auditors, Chief Finance Officer and Chief Executive Officer attend Committee meetings by invitation. The Audit Committee meets with the internal and external auditors, without any executive directors being present. Both the internal and external auditors have unrestricted access to the Chairman of the Committee and to the Chairman of the Board.

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 auditors 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 auditors 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.

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 advisors 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 88.

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

The Committee meets as often as is deemed necessary, but is required to meet at least twice a year. The Audit 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 and is chaired by Antonios Djakouris.

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, the Committee conducted a high-level review of the residual risks identified by management following a facilitated risk assessment workshop and subsequent business risk reviews undertaken at operating subsidiary level. 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, but is required to meet at least twice a year. The Committee 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 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 Chief Executive Officer, Phoevos Pouroulis, 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 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 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. The Committee recommended the appointment of Joanna Cheng and Roger Davey to the Board. Joanna, who had previously been the alternate to Brian Cheng, was appointed as Brian's replacement following his retirement by rotation at the Company's AGM held on 1 February 2017. Joanna's appointment enhances the Board's financial skills and gender diversity and Roger's appointment augments the Board's skills and experience in the mining sector.

The Committee also considered the independence of non-executive directors.

Consideration was given, amongst 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. Joanna Cheng is not considered independent by virtue of her involvement with the Company's second largest shareholder.

The Nomination Committee is required to meet at least twice per annum and met three times 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 Chief Executive Officer and Chief Finance Officer 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, Chief Executive Officer, Chief Finance Officer, the Company Secretaries and other members of the executive management of the Company and its subsidiaries, with reference to local and international benchmarks. 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, performance-based remuneration schemes and the Share Award Plan. The Committee is satisfied with the prevailing policies, remuneration and structure.

The Committee met once during the year under review.

The remuneration report may be found on pages 80 to 85 of this 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 Chief Executive Officer attends 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 three 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 full Board attended the inaugural meeting of the Committee and resolved that the Committee shall comprise the members of the Audit Committee and the Chief Executive Officer. David Salter has been appointed as the Chairman of the Committee 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 amongst others, include 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, which 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, amongst 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, amongst 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 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 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 Board established a New Business Committee, 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.

Meetings of the Committee will be held as often as necessary to undertake its role effectively. The Committee is chaired by Roger Davey and other members are David Salter, Carol Bell, Loucas Pouroulis and Phoevos Pouroulis. Michael Jones attends meetings as a permanent invitee.

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
Loucas Pouroulis	4/4	–	3/3	–	2/2	–	1/1	0/0
Phoevos Pouroulis	4/4	4/4#	1/3#	1/1#	2/2	3/3#	1/1	0/0
Michael Jones	4/4	4/4#	–	1/1#	2/2	–	1/1	0/0#
David Salter	4/4	4/4	3/3	1/1	2/2	3/3	1/1	0/0
Antonios Djakouris	4/4	4/4	3/3	1/1	2/2	3/3	1/1	
Omar Kemal	4/4	4/4	–	–	2/2	–	1/1	
Carol Bell	3/4	3/4	–	1/1	1/2	2/3	1/1	0/0
Joanna Cheng	4/4	–	–	–	2/2	–	1/1	
Roger Davey*	1/4	–	–	1/1	1/2	1/3	1/1	0/0
Brian Cheng**	0/4	–	–	–	0/2	–	0/1	

* *Appointed 1 June 2017.*
** *Retired by rotation on 1 February 2017.*
\# *By invitation.*

JOINT GROUP COMPANY SECRETARIES

The role of the Joint Group Company Secretaries 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 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 is a matter reserved for the Board as a whole.

Sanet de Witt is a full-time employee within the Group and based in South Africa. She holds Bachelor of Science and Bachelor of Laws degrees, a CIS Professional Post-Graduate Qualification: Company Secretarial and Governance Practice and is an Associate member of Chartered Secretaries Southern Africa (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 holds a Bachelor of Laws degree 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 company secretary and legal advisor to companies listed on the LSE and CSE. Lysandros is appointed as an external advisor 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.

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, Chief Executive Officer, Chief Finance Officer, the Joint Company Secretaries 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 September 2017.

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 Joint Company Secretaries and employees 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 senior executives 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 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 for a closed period of 30 calendar days before announcement of the interim and/or annual financial statements. The Company applies the longer duration in any given financial reporting period.

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

CORPORATE GOVERNANCE CONTINUED

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 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 findings are reported to the Audit Committee, which ensures that any and all material findings are addressed appropriately.

EXTERNAL AUDIT

KPMG Limited (Cyprus) acts as external auditor to the Group and their independence is reviewed by the Audit Committee on an annual basis. The external auditor has unrestricted access to the chairman of the Audit Committee.

At year end, the Audit Committee brought forward the tender process in terms of the mandatory audit firm rotation as required by EU audit reform legislation, which is applicable to Tharisa as a consequence of its securities being listed on the LSE. All four major audit firms, including KPMG Limited Cyprus, were invited to submit proposals.

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 auditors 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 transaction 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.

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, to ensure that it has 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 discriminating, 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 the equal employment opportunity policies.

MODERN SLAVERY AND HUMAN TRAFFICKING

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. Modern slavery encapsulates slavery, servitude and forced or compulsory labour. Tharisa acts ethically and with integrity in all business dealings and has the necessary systems and controls in place to safeguard against any form transgressions of human rights. Tharisa will continue to raise awareness of human rights among its employees, suppliers and the communities in which it operates.

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 is built into its Code of Business Ethics and Conduct and 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.

During 2015, management of a subsidiary company was alerted to the fact that two employees were soliciting bribes. The South African Police Services, was alerted and an undercover operation was conducted, which confirmed the allegations. Internally, the accused faced a disciplinary hearing charged with bribery and corruption, found guilty and dismissed. The subsidiary company also laid criminal charges and following a number of postponements of proceedings of the criminal court, the accused were found guilty on charges of corruption on 22 August 2017 and sentenced to a prison term of five years each, without the option of a fine.

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 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.

INVESTOR RELATIONS

The Chief Executive Officer and Chief Finance Officer, supported by the Investor Relations Manager, 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, 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

LEADERSHIP, ETHICS AND CORPORATE CITIZENSHIP

1. **Leadership**

   The governing body should lead ethically and effectively

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 standard 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.

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.

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.

The newly established 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.

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.

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.

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.

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.

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.

Accountability

PRINCIPLE	SUMMARY OF HOW THARISA APPLIES THE KING IV PRINCIPLES
	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. **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 society in which it operates.
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 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 focuses on these matters through its Risk, Safety, Health and Environment and Social and Ethics Committees. The newly established 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 of 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.

KING IV APPLICATION CONTINUED

PRINCIPLE	SUMMARY OF HOW THARISA APPLIES THE KING IV PRINCIPLES
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 process	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 Chief Executive Officer 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: • 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 and • ensuring that the Company has appropriate management structures and a management team to effectively carry out the Company's objectives, strategy and business plans.
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 Annual Report. It is reviewed by the finance team, Chief Finance Officer, Chief Executive Officer, the Joint Company Secretaries, senior management, JSE sponsor, external auditors 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 Board charter sets out the Board's responsibilities in relating 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 and • approval of annual financial statements and interim reports and of any ancillary documents related thereto.

PRINCIPLE	SUMMARY OF HOW THARISA APPLIES THE KING IV PRINCIPLES
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 committed to the highest standards of corporate governance and believes that accountability, integrity, fairness, transparency and integrated thinking is 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 advisors in executing their duties. The number of meetings of the Board and its committees held and attendance thereat is set out in the Annual Report. The Board is satisfied that it has fulfilled its responsibilities in accordance with the Board charter during the financial year.
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, Chief Executive Officer and Chief Finance Officer, and six non-executive directors. Five of the six 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 calibre and credibility with the necessary skill 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 amongst 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 Gender Diversification Policy without introducing a voluntary target. At present, the two female directors represent 22% of the total number of directors and 33% of the non-executive directors. The Nomination Committee also 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.

KING IV APPLICATION CONTINUED

PRINCIPLE	SUMMARY OF HOW THARISA APPLIES THE KING IV PRINCIPLES

Independence

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.

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.

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.

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.

All directors, new and existing, have access to the Joint 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 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.

PRINCIPLE		SUMMARY OF HOW THARISA APPLIES THE KING IV PRINCIPLES
		Independence The Nomination Committee considers the independence of non-executive directors. Consideration is given, amongst 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. **Lead independent non-executive 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 Social & Ethics Committees. He acts as a sounding board to the Executive Chairman and the Chief Executive Officer and leads the non-executive directors in the appraisal of the Executive Chairman and Chief Executive Officer. 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 Annual Report.
9.	**Evaluations 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, Chief Executive Officer, Chief Finance Officer, Joint Company Secretaries 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 Joint Company Secretaries, coordinate the evaluation process.

KING IV APPLICATION CONTINUED

PRINCIPLE	SUMMARY OF HOW THARISA APPLIES THE KING IV PRINCIPLES
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	**Chief Executive Officer** The Board's authority conferred on management is delegated through the Chief Executive Officer and the authority and accountability of management is accordingly considered to be the authority and accountability of the Chief Executive Officer. The Chief Executive Officer 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 Chief Executive Officer'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 and • acting as the chief spokesperson of the Company. The Chief Executive Officer 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 Chief Executive Officer 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 Chief Executive Officer. The Board and Nomination Committee oversee succession planning of the Chief Executive Officer and other senior executives and officers. The roles of the Executive Chairman and the Chief Executive Officer are not fulfilled by the same person and there is a clear distinction between the roles and responsibilities of the Chairman and the Chief Executive Officer, as set out in the Board charter. **Subsidiary companies and delegation of authority** Whilst 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. **Joint Company Secretaries** The role of the Joint Group 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 is a matter 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, whilst maintaining an arm's length relationship with the Board.

PRINCIPLE		SUMMARY OF HOW THARISA APPLIES THE KING IV PRINCIPLES
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 whilst 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 provides 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	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 approved delegation of authorities matrices, governing the delegation of authority and value limits within the Group.

KING IV APPLICATION CONTINUED

PRINCIPLE	SUMMARY OF HOW THARISA APPLIES THE KING IV PRINCIPLES
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 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 which. 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 Report** The Company provides full disclosure of remuneration of executive and non-executive directors as required by the JSE Listings Requirements and King IV. The remuneration policy is published in the Remuneration Report, which forms part of the Annual Report, and is subject to a non-binding advisory vote 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 auditors, 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 auditors, and recommends the appointment/re-appointment of the external auditors. The Risk Committee and the Audit Committee provides assurance to the Board regarding the efficacy of the risk management process, after consultation with the internal and external auditors, where applicable.

PRINCIPLE	SUMMARY OF HOW THARISA APPLIES THE KING IV PRINCIPLES
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 Chief Executive Officer and Chief Finance Officer, supported by the Investor Relations Manager, 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, 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

REMUNERATION STATEMENT

Remuneration Committee

The composition, role and responsibilities of the Remuneration Committee are detailed on page 65. While the Remuneration 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 Remuneration Committee considers the remuneration framework of the Executive Chairman, Chief Executive Officer, Chief Finance Officer, the Company Secretaries 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 incentive schemes, discretionary bonuses and certain other employee benefits and schemes.

During the year, the Committee reviewed various aspects of the Group's remuneration policy and structure, including executive salaries and performance-based remuneration schemes and the Share Award Plan. The Committee is satisfied with the prevailing policies, remuneration and structure and no changes to the remuneration policy are proposed.

The terms of reference for the Remuneration Committee, as approved by the Board, are available on the Company's website.

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.

Non-binding advisory vote

In terms of King IV recommendations, 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 policy, and on its implementation. The remuneration policy, as described in the Company's 2016 Annual Report, received the support of 96.6% of votes exercised at the AGM held on 1 February 2017.

Shareholders will again have the opportunity to vote on the remuneration policy at the next AGM, scheduled to be held on 10 January 2018. It is the recommendation of the Remuneration Committee and the Board that the remuneration policy be approved.

REMUNERATION POLICY

Objective

The objective of the Group's remuneration policy is to attract, motivate and retain human resources in order to achieve the Group's strategic objectives and to promote an ethical culture and responsible citizenship amongst all group companies and employees.

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 refers to independent remuneration surveys. The remuneration policy applies to all employees who are permanently employed and is not applicable to employees of third party contractors.

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. The objective is to set levels of 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. Salaries are reviewed annually, taking into consideration the economic environment, structure and financial performance of the Group. 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.

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.

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 and execution thereof, in a fair and transparent manner in a bid to find a balance between shareholder return requirements, affordability and incentivisation.

Some 56% of Tharisa Minerals' eligible employees are members of the NUM. Tharisa Minerals has a recognition agreement with the NUM which gives the union full organisational rights. Accordingly, all unionised employees' salary levels, annual increases and allowances are negotiated on a collective basis. Further information on labour relations can be found on pages 13, 29 and 40 to 42.

Remuneration packages include fixed and variable elements, as detailed below.

TOTAL REMUNERATION

FIXED REMUNERATION		VARIABLE REMUNERATION	
BASIC SALARY	BENEFITS	SHORT-TERM BONUS	LONG-TERM INCENTIVES

Fixed remuneration

The guaranteed cost to company remuneration consists of a cash component plus certain benefits which, depending on the employing company, include compulsory membership of the Group provident fund, which includes risk benefits such as life, disability, funeral and dread disease cover, and the Group's medical aid scheme. Various allowances are paid at certain job levels or to certain job categories.

Variable remuneration

Short-term bonus scheme

The Group has implemented a short-term bonus scheme for all bands of employees, which is calculated at 15% of the respective employee's remuneration package for on-target performance, capped at 25% of the employee's remuneration package for "stretch" performance. The 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 bonuses are payable biannually in arrears for executive directors, quarterly in arrears for senior management, management and employees graded Paterson band E2 and above, and monthly in arrears for employees of bands E1 and below.

Long-term incentives

At the AGM held on 13 March 2014, shareholders approved the design and implementation of the Tharisa Share Award Plan, which serves to reward long-term sustained performance, align shareholder and executive interests and retain key talent.

The purpose of the Share Award Plan is to incentivise selected employees within the Group, to ensure the retention of key skills together with the achievement of certain performance factors that are required for the ongoing performance and growth of the Group, and to align management interests with those of shareholders.

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.

Under the Share Award Plan the following awards may be made:

- Conditional Awards, which are conditional awards of 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 and
- 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 vest in two equal tranches.

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. It does not currently make provision for post-vesting forfeiture of vested Conditional Awards or Appreciation Rights.

2014 Award

The first awards under the Share Award Plan were made on 9 April 2014, comprising both Conditional Awards and Appreciation Rights. These awards were conditional on the listing of the Company on the JSE and the participant remaining employed by the Group at the time of vesting. The Conditional Awards vested in three tranches on 19 June 2015, 14 June 2016 and 30 June 2017 respectively and the Appreciation Rights vested in two tranches on 19 June 2015, and 14 June 2016 respectively. The Company issued the requisite number of shares to satisfy its obligations under the Share Award Plan on 26 June 2015, 30 June 2016 and 13 July 2017 respectively.

2015 Award

The second awards under the Share Award Plan were made on 30 June 2015. The vesting of these awards is subject to the participant remaining employed at the time of the vesting and is also contingent on there being no fatality at the Tharisa Mine during the respective vesting periods. In the event of a fatality occurring during

REMUNERATION REPORT CONTINUED

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:

- 33.34% of the vesting is conditional upon the participant's continued employment in good standing.
- 33.33% of the vesting is conditional on the achievement of certain PGM production metrics.
- 33.33% of the vesting is conditional on the achievement of certain chrome concentrate production metrics.

These performance conditions are measured at each vesting date and apply to the tranche which is 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 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 Company issued the requisite number of shares to satisfy its obligations under the Share Award Plan on 13 July 2017.

2016 Award

The third awards under the Share Award Plan were made on 30 June 2016.
The vesting of these awards is subject to the participant remaining employed at the time of the vesting and is also contingent on there being no fatality at the Tharisa Mine during the respective vesting periods. 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:

- 33.34% of the vesting is conditional upon the participant's continued employment in good standing.
- 33.33% of the vesting is conditional on the achievement of certain PGM production metrics.
- 33.33% of the vesting is conditional on the achievement of certain chrome concentrate production metrics.

Vesting conditions for executive directors and members of the Group executive are as follows:

- 65.0% of the vesting is conditional upon the achievement of the individual key performance metrics set for the participant.
- 17.5% of the vesting is conditional on the achievement of certain PGM production metrics.
- 17.5% of the vesting is conditional on the achievement of certain chrome concentrate production metrics.

These performance conditions are measured at each vesting date and apply to the tranche which is eligible for vesting at that date.

The first tranches of both the Conditional Awards and Appreciation Rights vested on 30 June 2017. The Company issued the requisite number of shares to satisfy its obligations under the Share Award Plan on 13 July 2017.

2017 Award

The fourth awards under the Share Award Plan were made on 30 June 2016. The vesting of these awards is subject to the participant remaining employed at the time of the vesting and is also contingent on there being no fatality at the Tharisa Mine during the respective vesting periods. 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:

- 33.34% of the vesting is conditional upon the participant's continued employment in good standing.
- 33.33% of the vesting is conditional on the achievement of certain PGM production metrics.
- 33.33% of the vesting is conditional on the achievement of certain chrome concentrate production metrics.

These performance conditions are measured at each vesting date and apply to the tranche which is eligible for vesting at that date.

The Remuneration Committee will consider further awards on an annual basis in terms of the approved Share Award Plan.

Exercised Appreciation Rights and treasury shares

On 13 July 2017, the Company issued 1 033 576 shares in treasury to make provision for the potential requirement to allot shares in the event of participants exercising vested Appreciation Rights. During the financial year, the Company transferred 46 302 ordinary shares from its treasury shares account to satisfy the exercise of Appreciation Rights by the participants of the Share Award Plan. Following these transactions, 260 012 726 shares have voting rights and 987 274 were held in treasury at 30 September 2017.

EXECUTIVE DIRECTORS

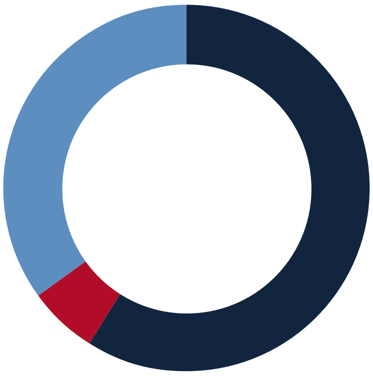
Each director should be remunerated fairly and the remuneration paid to each director should take into account the individual director's level of responsibility, skills and experience. All executive directors have employment contracts and are remunerated in accordance with their function and position 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. The executive directors are eligible to participate in the Share Award Plan.

Remuneration of key positions such as Chief Executive Officer and Chief Finance Officer 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.

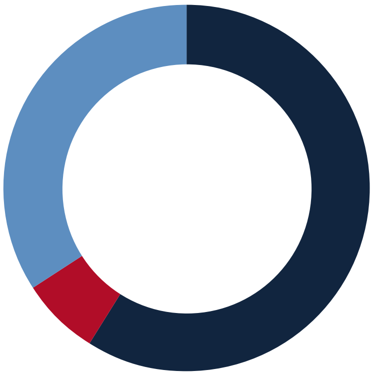
Remuneration mix of executive directors

CHAIRMAN



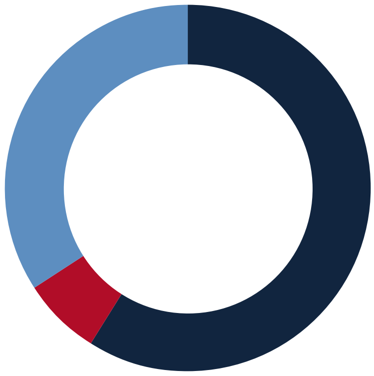
- Fixed 59 %
- Short-term incentive 6%
- Long-term incentive 35%

CEO



- Fixed 59%
- Short-term incentive 7%
- Long-term incentive 34%

CFO



- Fixed 59%
- Short-term incentive 6%
- Long-term incentive 35%

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 annual general meetings 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 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 services as non-executive directors and for membership 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 Share Award Plan. The office as a non-executive director is not pensionable.

Following a benchmarking exercise comparing the Company's non-executive directors' fees with those of medium cap resources companies listed on the JSE, non-executive directors' fees paid to directors of LSE listed companies and taking into account the rates of inflation in the United Kingdom and Cyprus, the Board agreed to maintain the non-executive directors' fees for the 2018 financial year as follows:

US$	FY2017	FY2018
Annual fee	42 500	42 500
Committee Chairman	25 000	25 000
Committee member	18 000	18 000

No changes to the remuneration policy are proposed.

REMUNERATION IMPLEMENTATION REPORT

Executive directors' remuneration

All amounts in US$'000	Basic salary	Expense allowance	Provident fund contributions and risk benefits	Share-based payments	Bonus paid	**Total 2017**	Total 2016
L Pouroulis	540	–	–	318	56	**914**	479
P Pouroulis	428	9	38	265	47	**787**	416
M Jones	365	–	35	238	40	**678**	372

Executive directors' interests in the Tharisa Share Award Plan

Conditional Awards	As at 30 September 2016		**As at 30 September 2017**					
Director and offer date	Opening balance of unvested awards	Market value at date of award ZAR	**Allocated**	**Value at date of award ZAR**	**Vested**	**Vesting price ZAR**	**Forfeited**	**Total unvested**
L Pouroulis								
9 April 2014	53 684	38.00			53 684	14.50		–
30 June 2015	211 180	6.44			105 590	14.50		105 590
30 June 2016	402 306	10.14			134 102	14.50		268 204
30 June 2017			321 588	17.53				321 588
Total	**667 170**		**321 588**		**293 376**		**–**	**695 382**
P Pouroulis								
9 April 2014	44 736	38.00			44 736	14.50		–
30 June 2015	175 983	6.44			87 992	14.50		87 991
30 June 2016	335 255	10.14			111 752	14.50		223 503
30 June 2017			282 882	17.53				282 882
Total	**555 974**		**282 882**		**244 480**		**–**	**594 376**
M Jones								
9 April 2014	40 263	38.00			40 263	14.50		–
30 June 2015	158 385	6.44			79 192	14.50		79 193
30 June 2016	301 730	10.14			100 577	14.50		201 153
30 June 2017			238 212	17.53				238 212
Total	**500 378**		**238 212**		**220 032**		**–**	**518 558**

Appreciation Rights	As at 30 September 2016		As at 30 September 2017						
Director and offer date	Unvested balance	Market value at date of award ZAR	**Allocated**	**Value at date of award ZAR**	**Vested**	**Exercised**	**Total vested but not exercised**	**Forfeited**	**Total unvested**
L Pouroulis									
9 April 2014	–	38.00					80 526		–
30 June 2015	79 192	6.44			79 192		79 192		–
30 June 2016	402 306	10.14			201 153		201 153		201 153
30 June 2017			321 588	17.53					321 588
Total	**481 498**		**321 588**		**280 345**		**360 871**	**–**	**522 741**
P Pouroulis									
9 April 2014	–	38.00					67 105		–
30 June 2015	65 993	6.44			65 993		65 993		–
30 June 2016	335 255	10.14			167 628		167 628		167 627
30 June 2017			282 882	17.53					282 882
Total	**401 248**		**282 882**		**233 621**		**300 726**	**–**	**450 509**
M Jones									
9 April 2014	–	38.00					60 394		–
30 June 2015	59 394	6.44			59 394		59 394	–	–
30 June 2016	301 730	10.14			150 865		150 865		150 865
30 June 2017			238 212	17.53					238 212
Total	**361 124**		**238 212**		**210 259**		**270 653**	**–**	**389 077**

Non-executive directors' fees for the year under review

All amounts in US$'000	Annual fee	Audit Committee	Nomination Committee	Remuneration Committee	Safety, Health and Environment Committee	Other in Group companies	**Total 2017**	Total 2016
JD Salter	43	18	25	18	25	52	**181**	176
A Djakouris	43	25	18	25	18	–	**129**	129
OM Kamal	43	18	–	–	–	–	**61**	61
C Bell	43	18	–	18	18	–	**97**	51
J Ka Ki Cheng*	28	–	–	–	–	–	**28**	–
RO Davey **	26	–	–	–	–	–	**26**	–
B Cheng***	14	–	–	–	–	–	**14**	43

* *Appointed to the Board on 1 February 2017.*
** *Appointed to the Board on 1 June 2017.*
*** *Retired by rotation on 1 February 2017.*

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 FY2017 nor were any payments made to any former directors.

DIRECTORS' REPORT

The Board of Directors of Tharisa plc (the Company) presents to the members its report together with the audited consolidated financial statements of the Company and its subsidiaries (together with the Company, the Group) for the year ended 30 September 2017.

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 with controlling interests in platinum group metals (PGM) 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 and loss and other comprehensive income on page 93 of this report.

CAPITAL DISTRIBUTION AND DIVIDENDS

During the financial year under review, a capital distribution of US$2.6 million (US$1 cent per share) (2016: no distribution) was declared on 1 February 2017 as a reduction of share premium.

It is the Group's policy to pay a minimum of 10% of its consolidated net profit after tax as a dividend, and the directors are pleased to announce that based on the improved earnings, subject to the necessary shareholder approvals, the Board has proposed a dividend to shareholders of US$ 5 cents per share (2016: capital distribution of US$ 1 cent) equating to 19.2% of its consolidated net profit after tax.

Furthermore, the Company is pleased to notify its shareholders that the dividend policy for FY2018 will be changed to provide for a payout of at least 15% of consolidated net profit after tax, an increase from the previous stated dividend policy of at least 10% of consolidated net profit after tax. The Company also intends to introduce the payment of an interim dividend.

SHARE CAPITAL AND PREMIUM

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. At 30 September 2017, the issued and fully paid ordinary share capital comprised 260 012 726 ordinary shares. During the year ended 30 September 2017, the Company issued 2 984 853 ordinary shares ranking *pari passu* with the existing ordinary shares in respect of the vesting pursuant to the Share Award Plan. The Company also issued 1 033 576 ordinary shares to be held as treasury shares mainly for the purpose of settling obligations in respect of the share appreciation right scheme as employees exercise their rights. The total number of shares in issue at 30 September 2017 and at the date of this report is 261 000 000 ordinary shares.

The convertible redeemable preference shares are not admitted for trading nor are any in issue.

All ordinary shares other than for the treasury shares rank equally with regard to the Company's residual assets. The holders of ordinary shares, other than the 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.

TREASURY SHARES

As at 30 September 2017, the Company held 987 274 shares as treasury shares which were issued to satisfy the potential future settlement of Appreciation Rights of the participants of the Tharisa Share Award Plan. Treasury shares do not carry voting rights and are not entitled to receive dividends. During October 2017, 85 002 ordinary shares were transferred from treasury shares to ordinary shares to satisfy the exercise of Appreciation Rights by the participants of the Tharisa Share Award Plan. Following these transactions, 902 272 are held in treasury.

MAIN RISKS

The main financial risks faced by the Group are disclosed in note 30 of the consolidated annual financial statements which are available on the Company's website www.tharisa.com.

FUTURE DEVELOPMENTS

The Board of Directors does not expect any significant changes in the activities of the Group in the near future.

The Group's core strategy is to become a leading natural resources group focussed on originating, developing and operating mines in various sectors including but not limited to the PGM and chrome sectors to service growing global demand through integrated mining, processing, marketing, sales and logistics operations. The strategy is to focus on growth through value accretive acquisitions, development and operation of large-scale, low cost projects that are in or close to production.

BRANCHES

During the year the Group did not operate any branches.

MEMBERS OF THE BOARD OF DIRECTORS

The members of the Board as at 30 September 2017 and at the date of this report are:

Loucas Christos Pouroulis	Executive Chairman
Phoevos Pouroulis	Chief Executive Officer
Michael Gifford Jones	Chief Finance Officer
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
Joanna Ka Ki Cheng*	Non-executive director
Roger Davey**	Independent non-executive director

* *Appointed on 1 February 2017*
** *Appointed on 1 June 2017*

There has been no significant change in the allocation of responsibilities and the compensation of the Board of Directors' of the Company between 30 September 2017 and the date of this report.

JOINT COMPANY SECRETARIES

Lysandros Lysandrides and Sanet de Witt serve as the Joint Company Secretaries. 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:

Lysandros Lysandrides
26 Vyronos Avenue
1096, Nicosia
Cyprus

Sanet de Witt
2nd Floor, The Crossing
372 Main Road
Bryanston, 2191
South Africa

EVENTS AFTER THE REPORTING PERIOD

Events after the reporting period are disclosed in note 35 of the consolidated annual financial statements, which are available on the Company's website.

INDEPENDENT AUDITORS

At year end, the Audit Committee brought forward the tender process in terms of the mandatory audit firm rotation as required by EU Audit Reform legislation, which is applicable to the Company as a consequence of its securities being listed on the LSE.

On behalf of the Board of Directors

Phoevos Pouroulis
Cyprus

Michael Jones

28 November 2017

REPORT OF THE AUDIT COMMITTEE

The Audit Committee met four times during the year under review and discharged its responsibilities in terms of the approved terms of reference, *inter alia:*

FINANCIAL STATEMENTS

- Reviewed and monitored the integrity of financial reports, including the interim financial statements and annual financial statements
- 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, the Cyprus Companies Law and the JSE Listings Requirements
- Considered the going concern as the basis of preparation of the interim and annual financial statements.

EXTERNAL AUDITOR

- Considered and approved the terms of engagement, scope of the external audit and audit fees
- Reviewed audit findings and management's response thereto
- Monitored the extent of cooperation between external and internal auditors
- Considered the nature and extent of the non-audit services that may be provided by the external auditors and pre- approved the provision of non-audit services on the basis that the provision of these services does not affect the independence of the external auditor
- Discussed with the external auditors their opinion of the level of ethical conduct of the Group, its executives and senior managers
- Held separate meetings with management and the external auditors
- Reiterated the external auditors' right to direct access to the Chairman of the Audit Committee and the Chairman of the Board
- Evaluated the independence, effectiveness and performance of the external auditors
- Brought forward the tender process in terms of the mandatory audit firm rotation as required by EU Audit Reform legislation, which is applicable to the Company as a consequence of its securities being listed on the LSE.

INTERNAL AUDIT

- Reviewed the effectiveness and adequacy of the internal control systems
- Considered and approved the terms of engagement, scope of the internal audit and audit fees
- Received and considered reports from the internal auditors
- Monitored the status of implementation by management of recommendations on identified control weaknesses
- Discussed with the internal auditors their opinion of the level of ethical conduct of the Group, its executives and senior managers
- Reiterated the internal auditors' right to direct access to the Chairman of the Audit Committee and the Chairman of the Board
- Evaluated the independence, effectiveness and performance of the internal auditors
- Approved Deloitte for appointment as internal auditors.

CHIEF FINANCE OFFICER

- 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

OTHER

- Considered the adequacy of financial controls, risk management systems and information technology risks relating to financial reporting
- Confirmed the adequacy of the Group's whistleblowing arrangements and policies and procedures for preventing corrupt behaviour and detecting fraud and bribery
- Conducted a self-evaluation to establish whether the Audit 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 2017
- the Annual Report for the year ended 30 September 2017 and
- the Notice of the Annual General Meeting to be held on 10 January 2018.

For more information on the composition and responsibilities of the Audit Committee, please refer to page 64.

A Djakouris
Chairman of the Audit Committee
28 November 2017

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 September 2017

PREPARATION AND APPROVAL OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements for the year ended 30 September 2017 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 the 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 judgements and estimates.

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.

The consolidated financial statements have been reported on without qualification by KPMG Limited.

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 28 November 2017.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 September 2017

	Notes	2017 US$'000	2016 US$'000
Revenue	4	**349 443**	219 653
Cost of sales	5	**(226 789)**	(165 177)
Gross profit		**122 654**	54 476
Other income		**160**	438
Administrative expenses	6	**(26 903)**	(22 775)
Results from operating activities		**95 911**	32 139
Finance income		**3 580**	770
Finance costs		**(7 689)**	(11 815)
Changes in fair value of financial assets at fair value through profit or loss		**(813)**	503
Changes in fair value of financial liabilities at fair value through profit or loss		**–**	368
Net finance costs		**(4 922)**	(10 174)
Profit before tax		**90 989**	21 965
Tax	7	**(23 316)**	(6 172)
Profit for the year		**67 673**	15 793
Other comprehensive income			
Items that may be classified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations, net of tax		**(387)**	4 212
Other comprehensive income, net of tax		**(387)**	4 212
Total comprehensive income for the year		**67 286**	20 005
Profit for the year attributable to:			
Owners of the company		**57 601**	13 809
Non-controlling interest		**10 072**	1 984
		67 673	15 793
Total comprehensive income for the year attributable to:			
Owners of the company		**57 451**	17 103
Non-controlling interest		**9 835**	2 902
		67 286	20 005
Earnings per share			
Basic and diluted earnings per share (US$ cents)	8	**22**	5

The notes on pages 98 to 111 are an integral part of these financial statements.

FINANCIAL REVIEW

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2017

	Notes	2017 US$'000	2016 US$'000
Assets			
Non-current assets			
Property, plant and equipment	9	**232 559**	220 534
Goodwill		**838**	883
Long-term deposits	10	**4 505**	9 846
Other financial assets		**3 767**	2 585
Deferred tax assets	11	**1 952**	1 397
Total non-current assets		**243 621**	235 245
Current assets			
Inventories	12	**20 802**	15 767
Trade and other receivables	13	**70 374**	51 184
Other financial assets		**49**	1 176
Current taxation		**132**	134
Cash and cash equivalents	14	**49 742**	15 826
Total current assets		**141 099**	84 087
Total assets		**384 720**	319 332
Equity and liabilities			
Share capital	15	**260**	257
Share premium	15	**280 082**	456 181
Other reserve		**47 245**	47 245
Foreign currency translation reserve		**(73 561)**	(73 411)
Retained earnings		**42 877**	(193 521)
Equity attributable to owners of the Company		**296 903**	236 751
Non-controlling interests		**(25 057)**	(34 892)
Total equity		**271 846**	201 859
Non-current liabilities			
Provisions		**6 923**	4 607
Borrowings	16	**4 375**	24 008
Deferred tax liabilities	11	**23 823**	5 275
Total non-current liabilities		**35 121**	33 890
Current liabilities			
Borrowings	16	**45 026**	38 408
Other financial liabilities		**599**	-
Current taxation		**212**	54
Trade and other payables		**31 916**	45 121
Total current liabilities		**77 753**	83 583
Total liabilities		**112 874**	117 473
Total equity and liabilities		**384 720**	319 332

The consolidated financial statements were authorised for issue by the Board of Directors on 28 November 2017.

Phoevos Pouroulis
Director

Michael Jones
Director

The notes on pages 98 to 111 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2017

	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
		Attributable to owners of the Company							
Balance at 30 September 2015		256	452 512	47 245	(76 705)	(206 566)	216 742	(37 794)	178 948
Total comprehensive income for the year									
Profit for the year		–	–	–	–	13 809	13 809	1 984	15 793
Other comprehensive income:									
Foreign currency translation differences		–	–	–	3 294	–	3 294	918	4 212
Total comprehensive income for the year		–	–	–	3 294	13 809	17 103	2 902	20 005
Transactions with owners of the Company									
Contributions by and distributions to owners									
Equity-settled share based payments		–	–	–	–	(1 045)	(1 045)	–	(1 045)
Issue of ordinary shares	15	1	3 669	–	–	281	3 951	–	3 951
Contributions by owners of the Company		1	3 669	–	–	(764)	2 906	–	2 906
Total transactions with owners of the Company		1	3 669	–	–	(764)	2 906	–	2 906
Balance at 30 September 2016		257	456 181	47 245	(73 411)	(193 521)	236 751	(34 892)	201 859

FINANCIAL REVIEW

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY CONTINUED

for the year ended 30 September 2017

	Notes	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
		Attributable to owners of the Company							
Balance at 30 September 2016		257	456 181	47 245	(73 411)	(193 521)	236 751	(34 892)	201 859
Total comprehensive income for the year									
Profit for the year		–	–	–	–	**57 601**	**57 601**	**10 072**	**67 673**
Other comprehensive income:									
Foreign currency translation differences		–	–	–	**(150)**	–	**(150)**	**(237)**	**(387)**
Total comprehensive income for the year		–	–	–	**(150)**	**57 601**	**57 451**	**9 835**	**67 286**
Transactions with owners of the Company									
Contributions by and distributions to owners									
Capital reduction	15	–	**(179 175)**	–	–	**179 175**	–	–	–
Capital distribution	15	–	–	–	–	**(2 570)**	**(2 570)**	–	**(2 570)**
Equity-settled share based payments		–	–	–	–	**2 192**	**2 192**	–	**2 192**
Issue of ordinary shares	15	**3**	**3 076**	–	–	–	**3 079**	–	**3 079**
Contributions by owners of the Company		**3**	**(176 099)**	–	–	**178 797**	**2 701**	–	**2 701**
Total transactions with owners of the Company		**3**	**(176 099)**	–	–	**178 797**	**2 701**	–	**2 701**
Balance at 30 September 2017		**260**	**280 082**	**47 245**	**(73 561)**	**42 877**	**296 903**	**(25 057)**	**271 846**

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 on pages 98 to 111 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 September 2017

	Notes	2017 US$'000	2016 US$'000
Cash flows from operating activities			
Profit for the year		**67 673**	15 793
Adjustments for:			
Depreciation of property, plant and equipment	9	**16 929**	10 167
Loss on disposal of property, plant and equipment	6	**196**	584
Impairment losses on goodwill		**57**	51
Impairment losses on inventory	12	**24**	15
Impairment losses on other financial assets		**–**	12
Changes in fair value of financial assets at fair value through profit or loss		**813**	(503)
Changes in fair value of financial liabilities at fair value through profit or loss		**–**	(368)
Interest income		**(1 122)**	(770)
Interest expense		**7 689**	10 287
Tax	7	**23 316**	6 172
Equity-settled share based payments		**4 342**	2 542
Changes in:		**119 917**	43 982
Inventories		**(5 063)**	(4 634)
Trade and other receivables		**(21 839)**	(12 657)
Trade and other payables		**(15 068)**	(4 100)
Provisions		**1 792**	71
Cash from operations		**79 739**	22 662
Capital reduction		**(2 570)**	–
Income tax paid		**(3 990)**	(472)
Net cash flows from operating activities		**73 179**	22 190
Cash flows from investing activities			
Interest received		**708**	892
Additions to property, plant and equipment	9	**(26 398)**	(12 307)
Proceeds from disposal of property, plant and equipment		**–**	124
Additions of other financial assets		**(925)**	(700)
Net cash flows used in investing activities		**(26 615)**	(11 991)
Cash flows from financing activities			
Refund of long-term deposits		**5 726**	1 369
Proceeds from bank credit facilities		**6 073**	1 648
Net proceeds under obligations under new loan		**–**	2 310
Repayment of secured bank borrowings and loan to third party		**(17 917)**	(19 166)
Interest paid		**(6 371)**	(4 371)
Net cash flows used in financing activities		**(12 489)**	(18 210)
Net increase/(decrease) in cash and cash equivalents		**34 075**	(8 011)
Cash and cash equivalents at the beginning of the year		**15 826**	24 265
Effect of exchange rate fluctuations on cash held		**(159)**	(428)
Cash and cash equivalents at the end of the year	14	**49 742**	15 826

The notes on pages 98 to 111 are an integral part of these financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 September 2017

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 2017 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.

2. BASIS OF PREPARATION

Statement of compliance

These condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), International Accounting Standards, IAS 34 Interim Financial Reporting, the Listings Requirements of the Johannesburg Stock Exchange and the Cyprus Companies Law, Cap. 113. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last consolidated financial statements at and for the year ended 30 September 2016. These condensed consolidated financial statements do not include all the information required for full consolidated financial statements prepared in accordance with IFRS.

These condensed consolidated financial statements were approved by the Board of Directors on 28 November 2017.

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 2016.

Functional and presentation currency

The condensed consolidated financial statements are presented in United States Dollars (US$) which is the Company's functional currency and amounts are rounded to the nearest thousand.

Going concern

After making enquiries, which include reviews of current cash resources, forecasts and budgets, timing of cash flows, borrowing facilities and sensitivity analyses and considering the associated uncertainties to the Group's operations, 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 consolidated financial statements and the condensed consolidated financial statements, which assumes that the Group will be able to meet its liabilities as they fall due for the foreseeable future.

New and revised International Financial Reporting Standards and Interpretations

The Group has not early adopted any standards and interpretations, which are not yet effective for the financial year ended 30 September 2017.

The following Standards and Interpretations have been issued but are not yet effective for annual periods beginning on or after 1 October 2016. Those that are relevant to the Group are presented below.

IFRIC 23 Uncertainty over Income Tax Treatment (effective for annual periods beginning on or after 1 January 2019)
IFRS 15 Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2018)
IFRS 16 Leases (effective for annual periods beginning on or after 1 January 2019)
IFRS 9 Financial Instruments (effective for annual periods beginning on or after 1 January 2018)

The Group will adopt these Standards and Interpretations for the financial year ending 30 September 2018.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in these condensed consolidated financial statements are the same as those applied by the Group in its audited consolidated financial statements as at and for the year ended 30 September 2017.

4. OPERATING SEGMENTS

Segmental performance is measured based on segment revenue, cost of sales and gross profit or loss, as included in the internal management reports that are reviewed by the Group's management.

	PGM US$'000	Chrome US$'000	Agency and trading US$'000	Total US$'000
2017				
Revenue	**90 924**	**252 869**	**5 650**	**349 443**
Cost of sales				
Cost of sales excluding selling costs	**(54 336)**	**(107 634)**	**(4 241)**	**(166 211)**
Selling costs	**(366)**	**(59 068)**	**(1 144)**	**(60 578)**
	(54 702)	**(166 702)**	**(5 385)**	**(226 789)**
Gross profit	**36 222**	**86 167**	**265**	**122 654**
2016				
Revenue	81 514	138 139	–	219 653
Cost of sales				
Cost of sales excluding selling costs	(57 135)	(64 710)	–	(121 845)
Selling costs	(218)	(43 114)	–	(43 332)
	(57 353)	(107 824)	–	(165 177)
Gross profit	24 161	30 315	–	54 476

The shared costs relating to the manufacturing of the PGM and the 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 2017, the relative sales value of chrome concentrates increased compared to the relative sales value of PGM concentrate and consequently the allocation basis of shared costs was amended to 65.0% (chrome concentrates) and 35.0% (PGM concentrate) respectively. The shared costs were allocated equally between the PGM and chrome segments in the comparative period.

During the year the Group entered into an agreement to operate a chrome plant owned by a third party and also to market and sell the chrome concentrate produced from this plant. The Group also intends to further expand its third party logistics offering and third party trading operations in the year ahead. These transactions are reported separately and are included in the Agency and trading segment.

Geographical information

The following table sets out information about the geographical location of the Group's revenue from external customers.

The geographical location analysis of revenue from external customers is based on the country of establishment of each customer.

	2017 US$'000	2016 US$'000
China	**86 035**	37 392
South Africa	**151 886**	110 698
Singapore	**13 961**	13 670
Hong Kong	**94 866**	55 045
South Korea	**–**	1 523
Other countries	**2 695**	1 325
	349 443	219 653

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2017

5. COST OF SALES

	2017 US$'000	2016 US$'000
Mining	**96 005**	77 773
Salaries and wages	**12 467**	9 248
Utilities	**9 495**	7 885
Diesel	**705**	114
Materials and consumables	**8 274**	7 406
Re-agents	**3 653**	3 327
Steel balls	**6 757**	4 864
Overhead	**8 055**	5 854
State royalties	**1 665**	832
Depreciation – property, plant and equipment	**16 476**	9 847
Agency and trading	**4 241**	-
Change in inventories – finished products and ore stockpile	**(1 582)**	(5 305)
Total cost of sales excluding selling costs	**166 211**	121 845
Selling costs	**60 578**	43 332
Cost of sales	**226 789**	165 177

6. ADMINISTRATIVE EXPENSES

	2017 US$'000	2016 US$'000
Directors and staff costs		
Non-Executive Directors	**536**	499
Employees: salaries	**9 213**	7 328
bonuses	**1 339**	649
pension fund and medical aid contributions	**1 405**	2 249
	12 493	10 725
Audit – external audit services	**429**	384
Consulting	**2 773**	1 737
Corporate and social investment	**73**	108
Depreciation	**453**	320
Discount facility and related fees	**516**	457
Equity-settled share based payment expense	**4 342**	2 542
Listing fees	**260**	942
Health and safety	**300**	236
Impairment losses	**-**	63
Insurance	**914**	781
Legal and professional	**873**	186
Loss on disposal of property, plant and equipment	**196**	584
Rent and utilities	**660**	697
Security	**828**	930
Telecommunications and IT related	**719**	645
Training	**313**	465
Travelling and accommodation	**358**	285
Sundry	**403**	688
	26 903	22 775

7. TAX

	2017 US$'000	2016 US$'000
Corporate income tax for the year		
Cyprus	**1 554**	309
South Africa	**2 596**	128
	4 150	437
Special contribution for defence in Cyprus	**4**	4
Deferred tax		
Originating and reversal of temporary differences	**19 162**	5 731
Tax charge	**23 316**	6 172

The Group's consolidated effective tax rate for the year ended 30 September 2017 was 25.6% (2016: 28.1%). The corporation tax rate is 12.5% in Cyprus, 0% in Guernsey and 28.0% in South Africa.

Special contribution for defence is provided in Cyprus on certain interest income at the rate of 30%. 100% of such interest income is treated as non-taxable in the computation of chargeable income for corporation tax purposes.

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.

8. EARNINGS PER SHARE

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share has been based on the following profit attributable to the ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding.

	2017	2016
Profit for the year attributable to ordinary shareholders (US$'000)	**57 601**	13 809
Weighted average number of ordinary shares at 30 September ('000)	**257 393**	256 178
Basic and diluted earnings per share (US$ cents)	**22**	5

LTIP and SARS awards were excluded from the diluted weighted average number of ordinary shares calculation because their effect would have been anti-dilutive. 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.

Headline and diluted headline earnings per share

The calculation of headline and diluted headline earnings per share has been based on the following headline earnings attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding.

	2017	2016
Headline earnings for the year attributable to ordinary shareholders (US$'000)	**57 799**	14 281
Weighted average number of ordinary shares at 30 September ('000)	**257 393**	256 178
Headline and diluted headline earnings per share (US$ cents)	**22**	6

	2017		2016	
	Gross US$'000	Net US$'000	Gross US$'000	Net US$'000
Reconciliation of profit to headline earnings				
Profit attributable to ordinary shareholders		**57 601**		13 809
Adjustments:				
Impairment losses on goodwill	**57**	**57**	51	51
Loss on disposal of property, plant and equipment	**196**	**141**	584	421
Headline earnings		**57 799**		14 281

FINANCIAL REVIEW

9. PROPERTY, PLANT AND EQUIPMENT

	30 September 2017 US$'000	30 September 2016 US$'000
Total cost	**295 555**	266 368
Total accumulated depreciation	**(62 996)**	(45 834)
Net book value	**232 559**	220 534
Reconciliation of net book value		
Opening net book value	**220 534**	214 518
Additions	**26 398**	12 307
Disposals	**(196)**	(708)
Depreciation	**(16 929)**	(10 167)
Exchange adjustment on translation	**2 752**	4 584
Closing net book value	**232 559**	220 534

There were no additions to the deferred stripping asset (2016: US$2.4 million) during the year ended 30 September 2017. The deferred stripping asset is included in mining assets and infrastructure.

During the year the Group acquired mining fleet of US$1.2 million (2016: equipment of US$0.6 million) under a finance lease. The leased equipment secures lease obligations. At 30 September 2017 the carrying amount of the leased equipment amounted to US$1.1 million.

Tharisa Minerals Proprietary Limited acquired the assets of a sub-contracter, BMI Drilling Proprietary Limited, during the year. The total consideration for the assets was ZAR24.1 million and these are included in additions.

Included in mining assets and infrastructure are projects under construction of US$9.0 million (2016: US$13.4 million).

The estimated economically recoverable proved and probable mineral reserve was reassessed during the year which gave rise to a change in accounting estimate. The remaining reserve that management had previously assessed was 106.4 Mt at 31 December 2015 and at 1 October 2016 was assessed to be 100.3 Mt. As a result, the expected useful life of the plant decreased. The effect of the change on the actual depreciation expense, included in cost of sales, is an additional US$0.4 million. The change was recognised prospectively.

Freehold land and buildings comprises various portions of the farms Elandsdrift 467 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.

At 30 September 2017, an amount of US$213.5 million (2016: US$200.8 million) of the carrying amount of the Group's tangible property, plant and equipment is pledged as security against bank and third party borrowings (note 16).

At 30 September 2017, the Group's capital commitments for contracts to purchase property, plant and equipment amounted to US$6.5 million (2016: US$1.8 million).

10. LONG-TERM DEPOSITS

	2017 US$'000	2016 US$'000
Long-term deposits	**4 505**	9 846

The long-term deposits represent restricted cash which is designated as a "debt service reserve account" as required by the terms of the Common Terms Agreement for the senior debt facility of Tharisa Minerals Proprietary Limited as disclosed in note 16.

Effective 31 March 2017, the Common Terms Agreement was amended by reducing the amount of restricted cash required as a debt service reserve account. The released funds were utilised as a mandatory prepayment on the outstanding capital, reducing the repayment term of the senior debt facility (refer to note 16).

The long-term deposits are deposited with major financial institutions of high-quality credit standing predominantly within South Africa and Hong Kong of which US$2.2 million (2016: US$6.6 million) bears interest at 5.5% pa (2016: 5.6% pa) and US$2.3 million (2016: US$3.3 million) bears interest at 0.01% pa (2016: 0.01% pa).

11. DEFERRED TAX

	2017 US$'000	2016 US$'000
Deferred tax assets	**1 952**	1 397
Deferred tax liabilities	**(23 823)**	(5 275)
Net deferred tax liability	**(21 871)**	(3 878)

Deferred tax assets and deferred tax liabilities are not offset unless the Group has a legally enforceable right to offset such assets and liabilities.

All of the above amounts have used the currently enacted income taxation rates of the respective tax jurisdictions the Group operates in. South African taxation losses normally expire within 12 months of the respective entities not trading. The deductible temporary timing differences do not expire under current taxation legislation. Deferred tax assets have only been recognised in terms of these items when it is probable that taxable profit will be available in the immediate future against which the respective entities can utilise the benefits therefrom.

The estimates used to assess the recoverability of recognised deferred tax assets include a forecast of the future taxable income and future cash flow projections based on a three year period. The Group did not have tax losses and temporary differences for which deferred tax was not recognised.

12. INVENTORIES

	2017 US$'000	2016 US$'000
Finished products	**6 620**	6 116
Ore stockpile	**5 807**	4 729
Consumables	**8 399**	4 937
	20 826	15 782
Impairment of consumables	**(24)**	(15)
Total carrying amount	**20 802**	15 767

Inventories are stated at the lower of cost or net realisable value. The Group impaired certain consumables and spares as the operational use became doubtful with no anticipated recoverable amount or value in use. The impaired consumables are allocated 35.0% and 65.0% respectively to the PGM and chrome operating segments (2016: equally allocated). There were no write-downs to net realisable value during the year (2016: no write downs).

Inventories are subject to a general notarial bond in favour of the lenders of the senior debt facility as referred to in note 16.

13. TRADE AND OTHER RECEIVABLES

	2017 US$'000	2016 US$'000
Trade receivables	**55 602**	44 856
Other receivables – related parties (note 18)	**59**	61
Deposits, prepayments and other receivables	**1 081**	1 267
Accrued income	**3 167**	1 187
Value added tax receivable (VAT)	**9 327**	3 813
Provision for royalty tax	**1 138**	-
	70 374	51 184

Trade and other receivables of the Group are expected to be recoverable within one year from each reporting date.

Trade and other receivables, which are less than 90 days past due are not considered to be impaired. Trade and other receivables which are more than 90 days past due are assessed for recoverability with reference to past default experience of the counterparty's current financial position.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2017

13. TRADE AND OTHER RECEIVABLES CONTINUED

Included in VAT is an amount of ZAR79.5 million which relates to diesel rebates receivable from the South African Revenue Service (SARS) in respect of the mining operations. The Group received a letter of intent from SARS disputing the refundability of this amount. The Group is strongly of the view that it fully complies with all the regulations to be entitled to this refund and is opposing SARS's intent not to pay out this claim. The Group will take the necessary legal action to recover the amount due.

Based on past experience, management believes that no impairment allowance (2016: no impairment allowance) is required in respect of the trade and other receivables as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

14. CASH AND CASH EQUIVALENTS

	2017 US$'000	2016 US$'000
Bank balances	**39 983**	15 490
Short-term bank deposits	**9 759**	336
	49 742	15 826

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 2017, an amount of US$1.7 million (2016: US$1.6 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 (2016: US$0.3 million) was provided as security against certain credit facilities of the Group.

15. SHARE CAPITAL AND RESERVES

	30 September 2017		30 September 2016	
	Number of shares	**US$'000**	Number of shares	US$'000
Share capital				
Authorised – ordinary shares of US$0.001 each				
At 30 September	**10 000 000 000**	**10 000**	10 000 000 000	10 000
Authorised – convertible redeemable preference shares of US$1 each				
At 30 September	**1 051**	**1**	1 051	1
Issued and fully paid				
Ordinary shares				
Balance at the beginning of the year	**256 981 571**	**257**	255 891 886	256
Shares issued as part of management share incentive schemes	**4 018 429**	**4**	1 089 685	1
Less: Treasury shares	**(987 274)**	**(1)**	-	-
Balance at the end of the year	**260 012 726**	**260**	256 981 571	257
Share premium				
Balance at the beginning of the year	**256 981 571**	**456 181**	255 891 886	452 512
Capital reduction	**–**	**(179 175)**	–	–
Shares issued as part of management share incentive schemes	**4 018 429**	**4 078**	1 089 685	3 669
Less: Treasury shares	**(987 274)**	**(1 002)**	-	–
Balance at the end of the year	**260 012 726**	**280 082**	256 981 571	456 181

15. SHARE CAPITAL AND RESERVES CONTINUED

Share capital

Allotments during the year were in respect of the award of 2 984 853 ordinary shares granted in terms of the Share Award Scheme (Conditional Awards) and 1 033 576 ordinary shares issued as treasury shares to satisfy the potential future settlement of Appreciation Rights of the participants' of the Tharisa Share Award Plan.

During the year ended 30 September 2017, 46 302 ordinary shares were transferred from treasury shares to satisfy the exercise of Appreciation Rights by the participants of the Tharisa Share Award Scheme.

At 30 September 2017, 987 274 ordinary shares were held in treasury.

Allotments during the previous year were in respect of the award of 1 089 685 ordinary shares granted in terms of the Share Award Scheme (Conditional Awards).

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 year ended 30 September 2017, the share premium account was reduced by US$179.2 million with a corresponding increase in the retained earnings to reduce the accumulated losses to US$nil. The required Court Order was obtained on 8 March 2017 and filed at the Registrar of Companies on 9 March 2017.

The distribution of US$2.6 million (US$1 cent per share) (2016: no distribution) was approved by way of a Special Resolution on 1 February 2017. The Special Resolution was ratified by the Court Order on 8 March 2017.

During the years ended 30 September 2017 and 30 September 2016, the increases in the share premium account related to the issue and allotment of ordinary shares granted in terms of the Share Award Schemes.

16. BORROWINGS

	2017 US$'000	2016 US$'000
Non-current		
Secured bank borrowings	**2 878**	22 103
Finance leases	**1 497**	246
Deferred supplier	**–**	1 659
	4 375	24 008
Current		
Secured bank borrowings	**14 876**	14 443
Finance leases	**847**	677
Bank credit facilities	**29 072**	23 012
Guardrisk loan	**231**	169
Loan payable to related party	**–**	107
	45 026	38 408

Secured bank borrowings

The secured bank borrowings relate to financing of ZAR1 billion obtained from a consortium of banks in South Africa during the year ended 30 September 2012. The financing was obtained by Tharisa Minerals Proprietary Limited, a subsidiary of the Group, and was for a period of seven years repayable in 22 equal quarterly instalments with the first repayment date at 31 December 2013.

Repayments are subject to a cash sweep which will reduce the repayment period to a minimum of five years. Tharisa Minerals Proprietary Limited is required to maintain funds in a debt service reserve account (refer to note 10). Effective 31 March 2017, the financing terms were amended to reduce the required amount of the debt service reserve balance. The released funds from the debt service reserve balance were utilised as a mandatory prepayment on the outstanding capital, reducing the repayment term of the senior debt facility. At 30 September 2017, the estimated remaining term is equal to five quarterly instalments.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2017

16. BORROWINGS CONTINUED

The financing bears interest at 3 month JIBAR plus 4.9% pa until achievement of project completion on 14 November 2016 whereafter the interest rate reduced to JIBAR plus 3.4% pa.

The loan contains the following financial covenants:

- Debt service cover ratio (DSCR) at a level greater than 1.4 times
- Loan life cover ratio at a level greater than 1.6 times
- Debt/equity ratio at a level greater than 1.5 times
- Reserve tail ratio at a level of 30.0% or greater.

At 30 September 2017 and 30 September 2016, Tharisa Minerals Proprietary Limited complied with all covenant ratios. Project completion was achieved on 14 November 2016. In the prior year, Tharisa Minerals Proprietary Limited hedged a portion of the facility for interest rate risk via an interest rate cap.

Finance leases

The Group entered into a finance lease arrangement for the purchase of mining fleet. The average lease term was 41 months and at 30 September 2017 the finance lease obligation was ZAR28.4 million. The average effective borrowing rate is the South African prime rate. The interest rate was fixed at the contract date. No arrangements have been entered into for contingent rent.

During the previous year the Group purchased equipment of ZAR22.9 million under a finance lease. The leased equipment secures lease obligations. The lease term was 24 months and the average effective borrowing rate was the South African prime rate plus 3.0% pa. The lease obligation at 30 September 2017 was ZAR3.4 million (2016: ZAR12.7 million). The interest rate was fixed at the contract date. No arrangements have been entered into for contingent rent.

	2017 US$'000	2016 US$'000
Minimum lease payments due:		
Within one year	**1 046**	760
Two to five years	**1 620**	253
	2 666	1 013
Less future finance charges	**(322)**	(90)
Present value of minimum lease payments due	**2 344**	923
Present value of minimum lease payments due:		
Within one year	**847**	677
Two to five years	**1 497**	246
	2 344	923

Deferred supplier

The balance relates to a trade payable of which payment had been deferred. The amount payable was unsecured and interest was calculated at the South African prime rate. During the year ended 30 September 2017, an agreement was reached with the deferred supplier and the outstanding balance was settled in full.

Guardrisk loan

The loan from Guardrisk Insurance Company Limited bears interest at 9.06% (2016: 8.72%) pa, compounded monthly and is repayable in 12 monthly instalments commencing 1 December 2016. The loan is guaranteed by the Company for an amount of ZAR14.0 million. The final instalment is due on 1 November 2017.

Bank credit facilities

The bank credit facilities relate to the 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 was US Libor plus 1.6% pa (2016: US Libor plus 1.6% pa).

17. FINANCIAL INSTRUMENTS

	2017 US$'000	2016 US$'000
Financial assets – carrying amount		
Loans and receivables	**58 828**	46 104
Long-term deposits	**4 505**	9 846
Cash and cash equivalents	**49 742**	15 826
Investments at fair value through profit or loss *	**49**	43
Financial instruments at fair value through profit or loss **	**3 767**	3 718
	116 891	75 537
Financial liabilities – carrying amount		
Borrowings	**49 401**	62 416
Trade payables	**25 003**	35 513
Discount facility **	**449**	–
Forward exchange contracts **	**150**	–
Income received in advance	**–**	3 102
Other payables	**4 750**	4 703
	79 753	105 734

* *Level 1 of the fair value hierarchy – quoted prices in active markets for the same instrument*
** *Level 2 of the fair value hierarchy – significant inputs are based on observable market data for similar financial instruments*

The Board of Directors considers that the fair values of financial assets and liabilities approximate their carrying values at each reporting date.

18. RELATED PARTY TRANSACTIONS

Related party transactions exist between shareholders, subsidiaries within the Group and its company directors and key management personnel.

These transactions are concluded at arm's length in the normal course of the business. All intergroup transactions have been eliminated on consolidation.

	2017 US$'000	2016 US$'000
Transactions and balances with related parties:		
Trade and other receivables (refer to note 13)		
The Tharisa Community Trust	**5**	5
Rocasize Proprietary Limited	**54**	54
Keaton Administrative and Technical Services Proprietary Limited	**–**	2
	59	61
The amounts above are unsecured, interest free with no fixed repayment terms.		
Loan payable to related party		
Langa Trust	**–**	107

The loan payable to the Langa Trust was settled in full during the year ended 30 September 2017.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the year ended 30 September 2017

18. RELATED PARTY TRANSACTIONS CONTINUED

	2017 US$'000	2016 US$'000
Amounts due to Directors and former Directors		
A Djakouris	**21**	22
JD Salter	**30**	30
O Kamal	**16**	16
C Bell	**26**	24
R Davey	**19**	–
J Ka Ki Cheng	**11**	–
B Chi Ming Cheng	**–**	11
	123	103
Interest bearing – accrued dividends to related parties		
Arti Trust	**2 486**	2 459
Ditodi Trust	**214**	210
Makhaye Trust	**214**	210
The Phax Trust	**425**	418
The Rowad Trust	**213**	210
MJ Jacquet-Briner	**213**	210
	3 765	3 717
Interest expense		
Langa Trust	**3**	183
Arti Trust	**262**	253
Ditodi Trust	**27**	22
Makhaye Trust	**27**	22
The Phax Trust	**53**	43
The Rowad Trust	**27**	22
MJ Jacquet-Briner	**27**	22
	426	567

	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
Compensation to key management:						
2017						
Non-Executive Directors	**536**	**–**	**–**	**–**	**–**	**536**
Executive Directors	**1 333**	**9**	**821**	**73**	**143**	**2 379**
Other key management	**865**	**27**	**518**	**95**	**117**	**1 622**
	2 734	**36**	**1 339**	**168**	**260**	**4 537**
2016						
Non-Executive Directors	499	–	–	–	–	499
Executive Directors	1 067	8	123	59	10	1 267
Other key management	746	23	66	75	20	930
	2 312	31	189	134	30	2 696

18. RELATED PARTY TRANSACTIONS CONTINUED

Share based awards to the Directors and to other key management were as follows:

	Opening balance	Allocated	Vested	Total
Ordinary shares				
2017				
LTIP – executive directors	**1 723 522**	**842 682**	**(757 888)**	**1 808 316**
LTIP – other key management	**1 115 106**	**564 792**	**(477 745)**	**1 202 153**
SARS – executive directors	**1 243 870**	**842 682**	**(724 225)**	**1 362 327**
SARS – other key management	**885 344**	**564 792**	**(526 000)**	**924 136**
2016				
LTIP – executive directors	822 915	1 066 563	(165 956)	1 723 522
LTIP – other key management	476 362	727 779	(89 035)	1 115 106
SARS – executive directors	308 591	1 039 291	(104 012)	1 243 870
SARS – other key management	249 628	718 689	(82 973)	885 344

Non-executive directors are not entitled to participate in the Group's share award schemes.

Relationships between parties:

Keaton Administrative and Technical Services Proprietary Limited
Two of the directors of the holding company of Keaton Administrative and Technical Services Proprietary Limited were also directors of the Company during the year.

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.

Langa Trust, Arti Trust, Phax Trust and Rowad Trust
A Director of the Company is a beneficiary of these trusts.

Ditodi Trust and Makhaye Trust
Certain of the non-controlling shareholders of Tharisa Minerals Proprietary Limited are beneficiaries of these trusts.

MJ Jaquet-Briner
MJ Jaquet-Briner is a director of Tharisa Minerals Proprietary Limited and is a shareholder in the non-controlling interest of Tharisa Minerals Proprietary Limited.

19. CONTINGENT LIABILITIES

As at 30 September 2017, there is no litigation (2016: no litigation), current or pending, which is considered likely to have a material adverse effect on the Group.

20. EVENTS AFTER THE REPORTING PERIOD

Effective 1 October 2017 Tharisa Minerals Proprietary Limited transitioned from a contractor mining model to an owner mining model with the acquisition of mining equipment, spares and consumables from MCC Contracts Proprietary Limited (MCC), the previous mining contractors of Tharisa Minerals Proprietary Limited, and includes the transfer of the employment of 876 personnel of MCC Contracts. In addition, Tharisa Minerals Proprietary Limited took cession and assignment of certain leases entered into by MCC Contracts.

The following summarises the assets acquired and liabilities assumed at the acquisition date:

- Property, plant and equipment
- Inventory
- Employee related liabilities
- Finance lease liabilities

The fair value of assets acquired and liabilities assumed has not yet been determined. Management is currently in the process of finalising the asset valuations, identifying all assets in terms of the contracts and assessing any liabilities that need to be recognised. Additionally, the goodwill/gain on bargain purchase cannot be determined as yet.

The total cash consideration paid for the acquisition was ZAR279 million. No deferred consideration or contingent considerations exist.

The purchase consideration was funded by a bridge loan from ABSA Bank Limited and an original equipment manufacturer finance facility from Caterpillar Financial Services Corporation.

Other than the above, the Board of Directors are not aware of any matter or circumstance arising since the end of the financial year that will impact these financial results.

21. CAPITAL DISTRIBUTION AND DIVIDENDS

A distribution of US$2.6 million (US$ 1 cent per share) (2016: no distribution) was declared on 1 February 2017 as a reduction of share premium.

No dividends have been declared during the year (2016: no dividends).

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
Sector	General Mining
Issued share capital as at 30 September 2017	261 000 000
Issued share capital (excluding treasury shares) as at 30 September 2017	260 012 726

	JSE	LSE
Market capitalisation at 30 September 2017	ZAR5.1 billion	GBP264.9 million
Closing share price as at 30 September 2017	ZAR19.40	101.50p
12-month high	ZAR29.47	157.55p
12-month low	ZAR11.60	73.00p

SHAREHOLDER ANALYSIS

Analysis of shareholders at 30 September 2017

Analysis of ordinary shareholders	Number of shareholders	Number of shares	Percentage of issued share capital	Percentage of voting rights
Holdings of 1 to 10 000 shares	823	954 054	0.37	0.37
Holdings of 10 001 to 100 000 shares	105	3 857 823	1.48	1.48
Holdings of 100 001 to 1 000 000 shares	41	11 788 608	4.52	4.53
Holdings of 1 000 001 to 5 000 000 shares	7	19 318 812	7.40	7.43
Holdings of 5 000 001 to 100 000 000 shares	8	108 939 956	41.74	41.90
Holdings of > 100 000 000 shares	1	115 153 473	44.12	44.29
Treasury shares	–	987 274	0.37	–
Total	**985**	**261 000 000**	**100.00**	**100.00**

Major shareholders	Number of shares	Percentage of issued share capital	Percentage of voting rights
Shareholders holding 10% or more			
Medway Developments Limited	115 153 473	44.12	44.29
Rance Holdings Limited	40 548 241	15.54	15.59
Shareholders holding 5% or more			
Fujian Wuhang Stainless Steel Co., Limited	19 419 920	7.44	7.47
Maaden Invest Limited (direct and indirect holding)	14 985 577	5.74	5.76

Public and non-public shareholders	**Number of shareholders**	**Number of shares**	**Percentage of issued share capital**	**Percentage of voting rights**
Public	968	95 779 284	36.84	36.94
Non-public				
Directors and associates of the Company and its subsidiaries	15	8 531 728	3.28	3.18
Persons interested (other than directors), directly or indirectly, in 10% or more	2	155 701 714	59.66	59.88
Total	**985**	**260 012 726**	**99.62**	**100.00**

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:

	2017				2016			
	Beneficial		**Non-beneficial**		Beneficial		Non-beneficial	
Director	**Direct**	**Indirect**	**Direct**	**Indirect**	Direct	Indirect	Direct	Indirect
Loucas Pouroulis	**272 952**	**–**	**–**	**10 000**	107 368	–	–	10 000
Phoevos Pouroulis	**240 871**	**6 918 432**			102 883	6 918 432		
Michael Jones	**207 397**	**–**	**–**	**–**	83 208	–	–	–
David Salter	**–**	**–**	**–**	**–**	–	–	–	–
Antonios Djakouris	**43 250**	**–**	**–**	**–**	–	–	–	–
Carol Bell	**31 250**	**–**	**–**	**–**	–	–	–	–
Omar Kamal	**–**	**–**	**–**	**–**	–	–	–	–
Joanna Cheng	**–**	**–**	**–**		–	–	–	
Total	**795 720**	**6 918 432**	**–**	**10 000**	**293 459**	**6 918 432**	**–**	**10 000**

NOTICE OF 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
ISIN: CY0103562118
(Tharisa or the Company)

Notice is hereby given that the Annual General Meeting (AGM) of shareholders of Tharisa will be held at 2nd Floor, The Crossing, 372 Main Road, Bryanston, South Africa on Wednesday, 10 January 2018 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.

This Notice of AGM, the 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.

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. Forms of identification that will be accepted include original and valid identity documents, driver's licences or passports.

IMPORTANT DATES

Record date to receive notice of the AGM	Friday, 1 December 2017
Last day to trade to be eligible to vote	Tuesday, 2 January 2018
Record date to be eligible to vote at the AGM	Friday, 5 January 2018
Last day for lodging Forms of Instruction (by 08:00 UK time)	Friday, 5 January 2018
Last day for lodging forms of proxy (by 10:00 SA time)	Monday, 8 January 2018
Annual General Meeting	Wednesday, 10 January 2018

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 Tuesday, 2 January 2018.

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 2017, including the management report and the report of the independent auditor, such annual financial statements having been approved by the Board on 28 November 2017.

Additional information in respect of ordinary resolution number 1

The condensed consolidated audited annual financial statements for the year ended 30 September 2017 are included in the 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 2017, are available on the Company's website, www.tharisa.com.

This resolution is non-binding, therefore no minimum voting threshold is required for ordinary resolution number 1.

2. Ordinary resolution number 2

Appointment of external auditors

"RESOLVED THAT Ernst & Young Cyprus Limited, with Stavros Pantzaris being the designated registered auditor, be appointed as the independent external auditors of the Company and of the Group for the financial year ending 30 September 2018, to hold office from the conclusion of the AGM until conclusion of the next AGM of the Company, and that their remuneration for the financial year ending 30 September 2018 be determined by the Audit Committee."

Additional information in respect of ordinary resolution number 2

During the year under review, the Audit Committee brought forward the tender process in terms of the mandatory external audit firm rotation as required by EU Audit Reform legislation, which is applicable to the Company as a consequence of its securities being listed on the LSE.

All four major audit firms, including the incumbent, KPMG Limited Cyprus, were invited to submit proposals, and following a rigorous evaluation process, Ernst & Young Cyprus Limited was selected and recommended to the Board for appointment as external auditors for the financial year ending 30 September 2018. It is the Board's recommendation to shareholders that the appointment of Ernst & Young Cyprus Limited be approved with effect from the conclusion of the AGM and for the financial year ending 30 September 2018.

The percentage of votes 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 appointed by the Board

"RESOLVED THAT Joanna Cheng, who retires in accordance with the Company's Articles of Association and who, being eligible, offers herself for election, be elected as a director of the Company."

"RESOLVED THAT Roger Davey, 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 and 3.2

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.

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. Joanna Cheng and Roger Davey were appointed by the Board as additional directors on 1 February 2017 and 1 June 2017 respectively, and are accordingly required to retire. Being eligible, both directors are offering themselves for election.

A brief *curriculum vitae* in respect of the directors referred to in ordinary resolutions numbers 3.1 and 3.2 above appears on pages 58 and 59 of the Annual Report of which this Notice of AGM forms part and the Board recommends to shareholders the election of the retiring directors as set out in ordinary resolutions numbers 3.1 and 3.2.

The percentage of voting rights required for ordinary resolutions numbers 3.1 and 3.2 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 39 150 000 (thirty nine million one hundred and fifty thousand) ordinary shares, being 15% of the number of listed equity securities in issue at the date of this Notice, being 261 000 000 (two hundred and sixty one 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, 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 15% 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 15% 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 15% 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 26 100 000 (twenty six million one hundred thousand) ordinary shares, representing 10% of the number of listed equity securities in issue as at the date of this notice, being 261 000 000 (two hundred and sixty one 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 sub-division or consolidation of issued equity securities during the period contemplated above, the existing authority must be adjusted accordingly to represent the same allocation ratio; and
   - 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; and

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. The existing authority granted by the shareholders of the Company at the previous AGM held on 1 February 2017 expires at the AGM to be held on 10 January 2018, unless renewed. 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.

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

Approval of remuneration policy

"RESOLVED THAT the Group remuneration policy, as described in the Remuneration Report on pages 80 to 85 of the 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

In terms of King IV recommendations, the Company's remuneration policy should be tabled for a non-binding advisory vote at every AGM.

The non-binding advisory vote is to enable shareholders of the Company to express their views on the Group's remuneration policies adopted, and on their implementation. 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.

8. 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 book operated by the JSE 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 at which such ordinary shares may be acquired shall not exceed the higher 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 higher of 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 press 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. This gives the Company the ability to re-issue 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 Annual Report of which this notice of AGM forms part:

- Major shareholders – refer to page 110 of the Annual Report.
- Share capital of Tharisa – refer to pages 86 and 110 of the 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 page 87 of this 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, and 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.

9. Ordinary resolution number 8

Final dividend

"RESOLVED THAT a final cash dividend in the amount of US$5 cents per ordinary share is declared for the financial year ending 30 September 2017, 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, 2 February 2018."

Additional information in respect of ordinary resolution number 8

The Board has proposed a final cash dividend of US$ 5 cents per ordinary shares for the financial year ended 30 September 2017. If approved by shareholders, the recommended final dividend will be paid on Wednesday, 14 February 2018. Shareholders on the principal Cyprus register will be paid in US$, shareholders whose shares are held through Central Securities Depositary Participants (CSDPs) and brokers and are traded on the JSE will be paid in South African Rand (ZAR) and holders of Depositary Interests traded on the LSE will be paid in Sterling (GBP).

Tax implications of the dividend

Shareholders and Depositary Interest holders should note that information provided should not be regarded as tax advice.

South African tax residents

For tax purposes, South African shareholders are advised that the dividend constitutes a foreign dividend and that they should consult their brokers, financial and/or tax advisors with regard to how they will be impacted by the payment of the dividend.

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 advisors 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 advisors with regard to how they will be impacted by the payment of the dividend.

The timetable for the dividend declaration is as follows:

Currency conversion date	Thursday, 30 November 2017
Currency conversion rates announced	Thursday, 11 January 2018
Last day to trade *cum*-dividend rights on the JSE	Tuesday, 30 January 2018
Last day to trade *cum*-dividend rights on the LSE	Wednesday, 31 January 2018
Shares will trade *ex*-dividend rights on the JSE	Wednesday, 31 January 2018
Shares will trade *ex*-dividend rights on the LSE	Thursday, 1 February 2018
Record date for payment on both JSE and LSE	Friday, 2 February 2018
Dividend payment date	Wednesday, 14 February 2018

The percentage of the voting rights required for ordinary resolution number 8 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.

10. Ordinary resolution number 9

Directors' authority to implement ordinary and special resolutions

"RESOLVED THAT each and every director of the Company and/or the Joint Company Secretaries 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."

Proxies

An ordinary shareholder entitled to attend and vote at the 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 central securities depository participant (CSDP) or broker other than with "own name" registration and who wish to attend the AGM, must instruct their CSDP or broker to provide them with the relevant letter of representation to attend the AGM in person or by proxy and vote. If they do not wish to attend in person or by proxy, 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.

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 advisor.

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 must 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.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

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 and vote. If any holder of Depositary Interests attends the AGM without a letter of representation they will only be allowed to enter the AGM as a guest and will not be allowed to vote. 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 Depository 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 January 2018.

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 January 2018. 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 advisor.

An abstention from voting is not a vote and will accordingly not be counted in the calculation of votes for and against resolutions.

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 January 2018, 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 and vote in person at the AGM, provided that he has obtained a letter of representation to attend and vote at the AGM from his CSDP or broker.

By order of the Board

Sanet de Witt
Joint Company Secretary

South Africa
8 December 2017

Lysandros Lysandrides
Joint Company Secretary

Cyprus

GLOSSARY

In this 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
Appreciation Right	the Award which takes the form of a right to call for Ordinary 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 Ordinary Shares as is specified in the Notice of Award and has vested
ART	Anti-retroviral treatment
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 Socio-economic 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
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 838 of 20 September 2010
chemical grade concentrate	the main ingredient in the production of chrome chemicals. The critical specifications are a minimum of 45% Cr_2O_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

GLOSSARY CONTINUED

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 the Republic of Cyprus with registration number HE223412
Competent Person's Report or CPR	a report compiled by independent Competent Persons 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 costs, such number of Ordinary Shares or receive a cash amounts as is specified in the notice of award and has vested
CSI	Corporate Social Investment
Cr_2O_3	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
Depositary	Computershare Investor Services PLC
Depositary Interests or DI	the dematerialised depositary interests issued by the Depositary 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
DMR	the South African Department of Mineral Resources
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 Banks 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
FIFR	fatality injury frequency rate
foundry grade	concentrate saleable chromium-rich product typically more than 45% Cr_2O_3, less than 1% SiO_2 and a specific particle size distribution
g/t	grams 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
Impala Platinum	Impala Refining Services Limited, a 100% owned 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 pre-defined 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
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 WPL's K3 plant
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
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
Lonmin	Lonmin plc (Registration number 103002), a public company duly incorporated and registered in England and Wales
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
MCC	MCC Contracts Proprietary Limited (Registration number 1983/008084), a subsidiary of Eqstra Holdings Limited, a company duly registered and incorporated in South Africa

GLOSSARY CONTINUED

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_2O_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 anor thosite. 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 0.6m thick) immediately overlain by a norite (approximately 0.85m thick) followed by the chromitite layer of the MG4 chromitite layer (approximately 1.8m thick), overlain by another parting, of feldspathic pyroxenite composition, some 3.2m thick and finally overlain by the chromitite of the MG4A chromitite layer (approximately 1.5m 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)
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
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 838 of 20 September 2010
Mining Right	a new order mining right, granted by the DMR in terms of the MPRDA, which provides the holder thereof the required legal title to mine
MPRDA	the South African Mineral and Petroleum Resources Development Act, No 28 of 2002, as amended
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
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
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 DMR in terms of the MPRDA
Pt	Platinum
Rand York Minerals	Rand York Minerals Proprietary Limited (Registration number 1985/004951/07), a private company duly registered and incorporated in South Africa
reef	in the context of this Annual Report, reef refers to any or all of the MG and UG chromitite layers
Rh	Rhodium
ROM	run of mine, being the ore tonnage extracted to be processed
Ru	Ruthenium
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	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
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 whilst ensuring economic growth and socio-economic 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

GLOSSARY CONTINUED

stripping ratio	the ratio, measured in m^3 to m^3 at which waste and inter-burden are removed, relative to ore mined
STS	standard threshold shift
t	tonne
t CO_2e	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
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. Ltd
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
US	the United State of America
US$	United States Dollars, 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
Western Platinum or WPL	Western Platinum Limited (Registration number 1963/003589/06), a company duly registered and incorporated in South Africa and a subsidiary of Lonmin
WPIC	World Platinum Investment Council
ZAR or R or Rand	South African Rand, the lawful currency of South Africa

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
ISIN: CY0103562118
(Tharisa or the Company)

This form of proxy relates to the Annual General Meeting (AGM) of shareholders of the Company to be held at 2nd Floor, The Crossing, 372 Main Road, Bryanston, South Africa on Wednesday, 10 January 2018 at 10:00 SA time (UTC +2) and should be completed 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 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 to attend the AGM in person or by proxy and vote. Shareholders who do not wish to attend the AGM in person or by proxy 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. These shareholders must not complete this form of proxy.

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(s) of [______________] Tharisa shares, hereby appoint (see notes 1 and 2):

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 1 is non-binding and does not require a minimum threshold			
Ordinary resolutions 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: Appointment of external auditors			
Ordinary resolution number 3.1: Election of Joanna Cheng as a director			
Ordinary resolution number 3.2: Election of Roger Davey as a director			
Special business			
Ordinary resolutions 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 6 requires a 75% majority of the votes			
Ordinary resolution 7 is non-binding and does not require a minimum threshold			
Special resolution 1 requires support of at least 75% of the votes exercised to be adopted			
Ordinary resolution 8 requires 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: Approval, through a non-binding advisory vote, of the Group remuneration policy			
Special resolution number 1: General authority to repurchase shares			
Ordinary resolution number 8: Final dividend			
Ordinary resolution 9: 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 ______________ 2018

Signature ______________________________

Assisted by (if applicable) (see note 7) ______________________________

NOTES TO THE FORM OF PROXY

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. To be valid and counted, the completed form of proxy must be lodged with the transfer secretaries of the Company, namely Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa (PO Box 61051, Marshalltown, 2107, South Africa), so as to be received by them by no later than 10:00 SA time on Monday, 8 January 2018, being no later than 48 hours before the AGM to be held at 10:00 SA time on Wednesday, 10 January 2018, provided that 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. Letters 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, 5 January 2018.
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.

CORPORATE INFORMATION

THARISA PLC

Incorporated in the Republic of Cyprus with limited liability
Registration number: HE223412
JSE share code: THA
LSE share code: THS
ISIN: CY0103562118

REGISTERED ADDRESS

Office 108 – 110
S. Pittokopitis Business Centre
17 Neophytou Nicolaides and Kilkis Streets
8011 Paphos
Cyprus

POSTAL ADDRESS

PO Box 62425
8064 Paphos
Cyprus

WEBSITE

www.tharisa.com

DIRECTORS OF THARISA

Loucas Christos Pouroulis *(Executive Chairman)*
Phoevos Pouroulis *(Chief Executive Officer)*
Michael Gifford Jones *(Chief Finance Officer)*
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)*
Joanna Ka Ki Cheng *(Non-executive director)*

JOINT COMPANY SECRETARIES

Lysandros Lysandrides
26 Vyronos Avenue
1096 Nicosia
Cyprus

Sanet de Witt
2nd Floor, The Crossing
372 Main Road, Bryanston, Johannesburg, 2191
South Africa
Email: secretarial@tharisa.com

INVESTOR RELATIONS

Sherilee Lakmidas
2nd Floor, The Crossing
372 Main Road, Bryanston, Johannesburg, 2191
South Africa
Email: ir@tharisa.com

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited
Registration number: 2004/003647/07
Rosebank Towers
15 Biermann Avenue, Rosebank, 2196
(PO Box 61051, Marshalltown, 2107)
South Africa

Computershare Investor Services PLC
Registration number: 3498808
The Pavilions, Bridgwater Road
Bristol BS13 8AE
England, United Kingdom

Cymain Registrars Limited
Registration number: HE174490
26 Vyronos Avenue
1096 Nicosia
Cyprus

JSE SPONSOR

Investec Bank Limited
Registration number: 1969/004763/06
100 Grayston Drive
Sandown, Sandton, 2196
(PO Box 785700, Sandton, 2146)
South Africa

AUDITORS

KPMG Limited (Cyprus)
Registration number: HE132527
14 Esperidon Street
1087 Nicosia
Cyprus

JOINT BROKERS

Peel Hunt LLP
Moor House, 120 London Wall
London EC2Y 5ET
England, United Kingdom
Contact: Ross Allister/Chris Burrows
+44 207 7418 8900

BMO Capital Markets Limited
95 Queen Victoria Street, London EC4V 4HG
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