



REPORT ON PAYMENTS TO GOVERNMENTS

FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

tharisa



INTRODUCTION

This report provides an overview of the payments made to governments by Tharisa plc (“Tharisa”) and its subsidiaries for the financial year ended 30 September 2016, as required under the Cyprus Companies Law and the Cyprus Transparency Laws. These regulations enact domestic rules in line with Directive 2013/34/EU (the EU Accounting Directive (2013)) and apply to companies that are involved in extractive activities. While the regulations require disclosure in respect of the extractive operation only i.e. Tharisa Minerals (Pty) Ltd, the disclosure herein relates to payments to government in respect of all of the operations of the Group.

SUMMARY OF PAYMENTS TO GOVERNMENTS

Country	Taxes US\$'000	Royalties US\$'000	Infrastructure US\$'000	Total US\$'000
Cyprus ¹	304.7	-	-	304.7
South Africa	166.9	860.6	1 528.5	2 556.1
Total	471.6	860.6	1 528.5	2 860.8

PAYMENTS BY ENTITY

South Africa

	Taxes US\$'000	Royalties US\$'000	Infrastructure US\$'000	Total US\$'000
Tharisa Minerals (Pty) Ltd	64.3	860.6	1 528.5	2 453.4
Arxo Logistics (Pty) Ltd	0.1	-	-	0.1
Braeston Corporate Consulting (Pty) Ltd	102.6	-	-	102.6
Total	166.9	860.6	1 528.5	2 556.1

Cyprus

	Taxes US\$'000	Royalties US\$'000	Total US\$'000
Tharisa plc	93.0	-	93.0
Arxo Resources Ltd	206.1	-	206.1
Tharisa Administration Services Ltd	5.6	-	5.6
Total	304.7	-	304.7

¹ The taxes incurred in Cyprus include the payment of the special contribution tax.

BASIS OF PREPARATION

Reporting entity

This report covers payments made to government by Tharisa and its subsidiaries and includes payments made by the beneficiation, marketing and trading subsidiaries of the Company.

Tharisa and its 74% owned subsidiary Tharisa Minerals (Pty) Ltd are engaged in extractive activities, which are classified by the regulations as exploration, prospecting, discovery, development and extraction of minerals.

Reporting currency

The reporting currency of the Group is US\$. Payments that have been made in currencies other than US\$ were converted at the annual average rate for the year ended 30 September 2016.

Government

Government refers to any national, regional or local authority of a country and includes any department, agency or undertaking controlled by that authority.

Types of payments

Taxes

These are taxes levied on the income, production or profits but in line with the regulations, exclude taxes levied on consumptions such as value added taxes, personal income taxes or sales taxes.

Royalties

These are payments for the right to extract minerals and are determined on the sales value. These taxes are applicable on the extraction of PGMs and chrome and are included in the operating costs.

Infrastructure improvements

These are payments related to the construction of public access infrastructure not substantially dedicated for the use of extractive activities. Payments in respect of social and community programmes are excluded.

The infrastructure improvement amount relates to the expenditure incurred in the financial year ended 30 September 2016 being work in progress on a road diversion necessary to open up increased access to the mineral reserve that is still to be completed and will be handed over to the government on completion.

No other payments as stipulated in the regulation including production entitlements, dividends, fees and payments in kind have been made by the Group during the financial year ended 30 September 2016.

Unaudited

This report has not been reported on or reviewed by Tharisa's auditors.