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

REVIEWED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six months ended 31 March 2015

Corporate information

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Loucas Christos Pouroulis (Executive Chairman)
Phoevos Pouroulis (Chief Executive Officer)
Michael Gifford Jones (Chief Finance Officer)
John David Salter (Lead Independent non-executive director)
Ioannis Drapaniotis (Independent non-executive director)
Antonios Djakouris (Independent non-executive director)
Omar Marwan Kamal (Non-executive director)
Brian Chi Ming Cheng (Non-executive director)

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SALIENT FEATURES

PGM PRODUCTION
(6E)
UP 49.5%
57.4 koz
(2014: 38.4 koz)

CHROME CONCENTRATE
PRODUCTION
DOWN 1.1%
563.3 kt
(2014: 569.4 kt)
partial re-treatment of tails at the Genesis
Plant reduced production of foundry and
chemical grade high value add products

Revenue
DOWN 1.9%
US$123.7m
lower PGM basket price
stable chrome concentrate prices
(2014: US$126.1m)

EBITDA
UP 37.7%
US$17.9m
(2014: US$13.0m)

IMPROVED
Operating PROFIT
UP 63.5%
US$12.1m
(2014: US$7.4m)

HEADLINE PROFIT
PER SHARE
UP 150%
US$0.01
(2014: Pro forma US$0.004)

Dear Shareholder
It is pleasing to report that Tharisa recorded a substantial turn-around in profitability, generating a profit before tax of US$7.1 million compared to the comparable period loss of US$31.1 million. Tharisa has further strengthened its competitive position benefiting from the shallow open pit, large scale co-production of PGMs and chrome concentrates with the consequential low cost of production.

Safety remains a top priority and Tharisa continues to strive for zero harm at our operations. As previously reported, production was affected by the suspension of processing activities following the tragic fatality on 5 November 2014. Tharisa continues to implement appropriate risk management processes, strategies, systems and training to promote a safe working environment for all.

Tharisa achieved a Lost Time Injury Frequency Rate (LTIFR) of 0.07 per 200 000 man hours worked, which ranks amongst the lowest LTIFRs in the PGM and chrome industries in South Africa.

A number of milestones were achieved during the interim period including:

- Record monthly PGM production in March 2015 of 12 874 6E contained PGM ounces
- PGM recoveries at the Voyager Plant of 78.8% in March 2015
- Low cost per PGM ounce produced of US$458 contributing to a PGM gross margin of 39.1%
- Record chrome concentrate shipments of 135 kt in March 2015

OPERATIONAL OVERVIEW

	Unit	31 March 2015	31 March 2014	
Tonnes processed	kt	2 198.7	1 919.0	+14.6%
On mine cash cost per tonne processed	US$	30.8	34.3	-10.2%
Consolidated cash cost per tonne processed (excluding transport)	US$	34.3	38.3	-10.4%

MINING
The Tharisa Mine is unique in that it mines multiple mineralised layers with different, but defined, PGM and chrome contents. A multiple contractor mining model was introduced with effect from 1 November 2014, and has progressed according to the change management plan and is yielding major production gains. 1.95 Mt of ore at an average grade of 1.65 g/t PGMs on a 6E basis and 18.7% chrome was mined during the period and 5.6 Mm(3) of waste rock was moved. During the transition period and as planned, to ensure sufficient feed into the plants, commissioning tails were re-processed through the Genesis Plant in addition to mined ore. Steady state mine production of 400 ktpm of ROM ore was achieved during Q3 2015. The building of a ROM stockpile including sufficient in-pit exposed reef remains a key focus to optimise production and provide stable feed grades for processing.

PROCESSING
The two processing plants being the Voyager Plant with a nameplate capacity of 300 ktpm and the Genesis Plant with a nameplate capacity of 100 ktpm, continued to provide operational flexibility. This allowed the appropriate blend of ore to be processed through the Voyager Plant while re-processing commissioning tails through the Genesis Plant during the change to a multiple mining contractor model and during periods of power supply reductions.

2.2 Mt of reef and commissioning tails were processed through the two plants during the six-month period producing 57.4 koz of contained 6E PGMs and 563.3 kt of chrome concentrates.

Plant throughput equates to 91.7% of combined name plate capacity of the plants for the six months.

While overall PGM recovery was at 63.1%, the Voyager Plant achieved a recovery of 78.8% in March 2015, demonstrating the significant improvements yielded from the optimisation initiatives such as the high energy flotation circuit. PGM production increased by 49.5% over the comparable period.

Chrome production was marginally lower (1.1%) relative to the comparable period and was impacted by the re-processing of commissioning tails through the Genesis Plant which impacted negatively on the overall chrome recoveries, particularly chemical and foundry grades.

47.4 kt of higher value add chemical and foundry grade chrome concentrates were produced compared to 69.4 kt in the comparable period. The average chrome recovery across all plants was 56.4% falling short of the current plant capacity design of 65%.

Production of both PGMs and chrome concentrates is expected to continue to increase as the mining operation provides consistent feed and the plants process mined ore only.

COMMODITY MARKETS AND SALES

	Unit	31 March 2015	31 March 2014	
PGM basket price	US$/oz	945	1 079	-12.4%
PGM basket price	ZAR/oz	10 885	11 674	-6.8%
42% metallurgical grade chrome concentrate contract price	US$/t	156	151	+3.3%
Chemical grade chrome concentrate price	US$/t	198	188	+5.3%

Both PGM and chrome concentrate commodity prices remain under pressure with the average US$ PGM contained metal basket price reducing by 12.4% and a nominal increase of 3.3% in the metallurgical grade chrome concentrate contract price.

PGM production continues to be sold to Impala Refining Services in terms of the off-take agreement with a total of 58.4 koz being sold during the period. The Tharisa Mine PGM prill split is significant in terms of platinum content with 56.5%, contributing to a favourable PGM basket price being realised by Tharisa.

PRILL SPLIT BY MASS	31 March 2015 %	31 March 2014 %
Platinum	56.5	60.5
Palladium	15.6	15.8
Rhodium	9.4	8.1
Gold	0.2	0.2
Ruthenium	13.9	11.7
Iridium	4.4	3.7

Chrome concentrate sales totalled 549.5 kt. China remains the main market for chrome concentrates and 461.5 kt of the metallurgical grade chrome concentrates produced by the Tharisa Mine were sold on a CIF main ports China basis.

Of this quantity, 83% was shipped in bulk with the balance being shipped in containers.

During the period, Tharisa entered into a further off-take agreement with Rand York Minerals for the majority of its production of chemical grade chrome concentrates.

Capital expenditure on the plant, other than for sustaining capital, has been substantially completed. There are a number of optimisation initiatives currently being evaluated by the Tharisa Mine with a focus on improving chrome recoveries.

LOGISTICS

	Unit	31 March 2015	31 March 2014
Average transport cost per tonne of chrome			

concentrate – CIF China basis	US$/t	59	69	-14.5%

The chrome concentrate destined for main ports China is shipped either in bulk from the Richards Bay dry bulk terminal or via containers from Johannesburg and transported by road to Durban from where it is 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 por t to manage the full production capacity of the Tharisa Mine.

Negotiations over a planned public private partnership for an on-site railway siding at the Tharisa Mine are progressing well.

FINANCIAL OVERVIEW

Group revenue totalled US$123.7 million, a decrease of 1.9% relative to the comparable period revenue of US$126.1 million. This decrease in revenue was notwithstanding an increase in PGM production of 49.5% and was impacted by a reduction in the average contained metal basket price from US$1 079/oz to US$945/oz – a decrease of 12.4%. In addition, chrome concentrate production was marginally lower (1.1%). The constituent components reflected an increase of 3.2% in metallurgical grade chrome concentrates with a 31.7% reduction in the higher value add chemical and foundry grade sales. The average 42% metallurgical grade chrome concentrate price strengthened by 3.3% from US$151/t to US$156/t.

The segmental contribution to revenue and gross profit is summarised in the table below:

Six months ended 31 March 2015	PGM US$'000	Chrome US$'000	Total US$'000
Revenue	44 087	79 613	123 700
Cost of sales#	26 861	74 034	100 895
Cost of sales excluding selling costs	26 766	44 715	71 481
Selling costs	95	29 319	29 414
Gross profit	17 226	5 579	22 805
Gross profit percentage	39.1%	7.0%	18.4%

The allocation of the shared costs of producing PGMs and chrome concentrates has, in accordance with the accounting policy, been revised for the current interim period to an equal sharing from the previous allocation of 40% to PGMs and 60% to chrome concentrates.

Six months ended 31 March 2014	PGM US$'000	Chrome US$'000	Total US$'000
Revenue	35 798	90 340	126 138
Cost of sales	24 707	81 201	105 908
Cost of sales excluding selling costs	24 650	44 246	68 896
Selling costs	57	36 955	37 012
Gross profit	11 091	9 139	20 230
Gross profit percentage	31.0%	10.1%	16.0%

The gross profit margin of 18.4% compares favourably to the comparable period gross profit margin of 16.0% and is attributable primarily to the increased PGM sales volumes with the costs of production being apportioned over the increased production. The chrome segment gross margin reflected a decrease over the comparable period due to the marginally lower production and the inclusion of the agency commission payable to the Noble Group Limited as part of the cost of sales. The Group benefited from competitively priced freight costs for bulk shipments of chrome concentrates which contributed to the improved gross margin. The major constituents of the cash cost of sales of PGMs and chrome concentrates are set out in the graphs below.

PGM cash cost of sales

Mining	49%
Utilities	6%
Reagents	9%
Steel balls	3%
Labour	5%
Diesel	18%
Overheads	10%

Chrome cash cost of sales

Mining	46%
Utilities	5%
Steel balls	5%
Labour	9%
Diesel	17%
Overheads	18%

After accounting for administrative expenses of US$10.7 million which reduced by 16.2%, the Group achieved an operating profit of US$12.1 million. The insurance costs included in administrative expenses increased materially primarily as a result of the change in the financial structuring of the environmental rehabilitation guarantee arrangements which released cash collateral held against the provision.

EBITDA amounted to US$17.9 million (2014: US$13.0 million).

Finance costs principally relate to the senior debt facility secured by Tharisa Minerals for the construction of the Voyager Plant.

Following the listing of the Company on the JSE, the preference shares in issue were converted into ordinary shares and accordingly there is no current period charge for "changes in fair value of financial liabilities at fair value through profit and loss" (2014: US$30.6 million).

The Group recorded a substantial turn-around in profitability, generating a profit before tax of US$7.1 million compared to the prior period loss of US31.1 million.

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$, amounted to US$13.9 million (2014: US$8.9 million). The increased difference arises mainly from the strengthening of the US$ against the ZAR.

Basic and diluted profit per share for the period amounted to US$0.01 (2014: loss of US$0.12).

Interest-bearing debt as at 31 March 2015, totalled US$99.2 million, resulting in a debt to total equity ratio of 49.4%. The long-term targeted debt to equity ratio is 15%. The optimisation projects namely the chrome recovery projects and the public private partnership with Transnet will be funded through additional debt and cash generated from operations. The debt to equity ratio may, as a result, increase in the near term.

Additions to property, plant and equipment for the period amounted to US$9.1 million, including an amount of US$4.1 million relating to the capitalisation of deferred stripping.

During the interim period the Group generated net cash from operations of US$15.4 million (2014: US$28.8 million). The reduction in the net cash flows from operations is due, in part, to the working capital associated with "trade and other receivables" which increased by an amount of US$12.8 million as a result of, inter alia, the increased PGM sales. Cash on hand amounted to US$26.7 million. In addition, the Group holds US$13.4 million in a debt service reserve account.

BOARD APPOINTMENT

We welcomed Mr Brian Chi Ming Cheng to the board as a non-executive director with effect from 19 December 2014.

OUTLOOK

The turnaround in profitability demonstrates the benefits of being a low cost co-producer of PGM and chrome concentrates within a challenging commodity environment.

The outlook for Q3 FY2015 has been impacted by significant planned maintenance programmes, which included the reconfiguration of the crushing circuit at the Voyager Plant, with an estimated loss in production time of approximately 12% for the quarter.

PGM recoveries exceeded plan and the achievement of steady state production of 144 kozpa is targeted for the 2016 financial year.

Management continues to focus on the improvement of the chrome recoveries to achieve steady state production. With the installed wet high intensity magnetic separation units not achieving the expected improvement in chrome recoveries and further test work on this and other technologies ongoing, the steady state chrome production has been revised to 1.5 Mtpa and is planned to be achieved in the 2016 financial year.

Appropriately blended mined ore is being fed into the processing plants on a consistent basis from June 2015. The resulting stability in feed grade will improve recoveries to design levels. PGM and chrome concentrate production in H2 FY2015 is expected to approximate H1 FY2015 production.

We would like to thank the Tharisa team and directors for their continued support in achieving an improved interim performance.

Phoevos Pouroulis	Michael Jones
Chief Executive Officer	Chief Finance Officer

15 June 2015

PREPARATION OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements as set out within this report have been prepared and presented in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting. Their preparation was supervised by the Chief Finance Officer, Michael Jones, a Chartered Accountant (SA).

The auditors' report does not necessarily report on all of the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditors' engagement they should obtain a copy of the auditors' report together with the accompanying financial information from the Company’s registered office.

Any reference to future financial performance has not been reviewed or reported on by the Company's auditors.

The condensed consolidated interim financial statements were approved by the board on 15 June 2015.

INDEPENDENT AUDITORS' REVIEW REPORT ON INTERIM FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF THARISA PLC

We have reviewed the condensed consolidated financial statements of Tharisa plc, on pages 10 to 24 contained in the accompanying interim report, which comprise the condensed consolidated statement of financial position as at 31 March 2015 and the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six months then ended, and selected explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE INTERIM FINANCIAL STATEMENTS

The directors are responsible for the preparation and presentation of these interim financial statements in accordance with the International Accounting Standard, (IAS) 34 Interim Financial Reporting, and for such internal control as the directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express a conclusion on these interim financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of Tharisa plc for the six months ended 31 March 2015 are not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

EMPHASIS OF MATTER

We draw attention to note 2(c) of the condensed consolidated interim financial statements which indicates that as at 31 March 2015 the Group's current liabilities exceeded its current assets by US$2 831 thousand. The note states that should the forecast production not be achieved and/or South African Rand commodity prices weaken, a material uncertainty exists which may cast doubt on the Group's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Maria A. Karantoni FCA
Certified Public Accountant and Registered Auditor
for and on behalf of
KPMG Limited
Certified Public Accountants and Registered Auditors
14 Esperidon Street
1087 Nicosia
Cyprus

15 June 2015

Condensed consolidated statement of profit or loss and other comprehensive income
for the six months ended 31 March 2015

	Notes	Six months ended 31 March 2015 US$'000	31 March 2014 US$'000
Revenue	4	123 700	126 138
Cost of sales	4	(100 895)	(105 908)
Gross profit		22 805	20 230
Other income		27	27
Administrative expenses	5	(10 741)	(12 817)
Results from operating activities		12 091	7 440
Finance income		1 415	330
Finance costs		(6 443)	(8 284)
Changes in fair value of financial liabilities at fair value through profit or loss		–	(30 635)
Net finance costs		(5 028)	(38 589)
Profit/(loss) before tax		7 063	(31 149)
Tax	6	(2 193)	2 911
Profit/(loss) for the period		4 870	(28 238)
Other comprehensive income			
Items that will not be classified subsequently to profit or loss		–	–
Items that may be classified subsequently to profit or loss			
Foreign currency translation differences for foreign operations, net of tax		(13 905)	(8 876)
Other comprehensive income, net of tax		(13 905)	(8 876)
Total comprehensive expense for the period		(9 035)	(37 114)
Profit/(loss) for the period attributable to			
Owners of the Company		3 361	(28 422)
Non-controlling interests		1 509	184
		4 870	(28 238)
Total comprehensive expense for the period attributable to			
Owners of the Company		(7 104)	(35 247)
Non-controlling interests		(1 931)	(1 867)
		(9 035)	(37 114)
Profit/(loss) per share			
Basic and diluted profit/(loss) per share (US$)	7	0.01	(0.12)

The notes are an integral part of these financial statements.

Condensed consolidated statement of financial position
as at 31 March 2015

	Notes	31 March 2015 US$'000	30 September 2014 US$'000
Assets			
Property, plant and equipment	8	239 190	253 356
Goodwill		1 097	1 211
Other financial assets	10	1 851	5 008
Long-term deposits	9	13 377	14 479
Deferred tax assets		3 672	5 970
Non-current assets		259 187	280 024
Inventories	11	11 310	14 567
Trade and other receivables		45 272	32 515
Other financial assets	10	344	442
Current taxation		5	3
Cash and cash equivalents		26 733	19 629
Current assets		83 664	67 156
Total assets		342 851	347 180
Equity			
Share capital	12	255	255
Share premium		452 363	452 363
Other reserve		47 245	47 245
Foreign currency translation reserve		(57 826)	(47 361)
Revenue reserve		(213 135)	(216 596)
Equity attributable to owners of the company		228 902	235 906
Non-controlling interests		(27 983)	(26 052)
Total equity		200 919	209 854
Liabilities			
Provisions	13	5 088	4 452
Borrowings	14	50 349	64 223
Deferred tax liabilities		–	20
Non-current liabilities		55 437	68 695
Borrowings	14	42 169	30 986
Current taxation		88	421

Trade and other payables	44 238	37 224
Current liabilities	86 495	68 631
Total liabilities	141 932	137 326
Total equity and liabilities	342 851	347 180

The condensed consolidated interim financial statements were authorised for issue by the board of directors on 15 June 2015.

Phoevos Pouroulis Michael Jones
Director Director

The notes are an integral part of these financial statements.

Condensed consolidated statement of changes in equity
for the six months ended 31 March 2015

	ATTRIBUTABLE TO OWNERS OF THE COMPANY							
	Share capital US$'000	Share premium US$'000	Other reserve US$'000	Foreign currency translation reserve US$'000	Revenue reserve US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
Balance at 1 October 2014	255	452 363	47 245	(47 361)	(216 596)	235 906	(26 052)	209 854
Total comprehensive income for the period								
Net profit for the period	-	-	-	-	3 361	3 361	1 509	4 870
Other comprehensive income								
Foreign currency translation differences	-	-	-	(10 465)	-	(10 465)	(3 440)	(13 905)
Total comprehensive income for the period	-	-	-	(10 465)	3 361	(7 104)	(1 931)	(9 035)
Transactions with owners, recognised directly in equity								
Equity settled share based payments	-	-	-	-	100	100	-	100
Contributions by owners of the Company	-	-	-	-	100	100	-	100
Total transactions with owners of the Company	-	-	-	-	100	100	-	100
Balance at 31 March 2015	255	452 363	47 245	(57 826)	(213 135)	228 902	(27 983)	200 919
Balance at 1 October 2013	6	113 342	47 245	(30 170)	(167 859)	(37 436)	(16 205)	(53 641)
Total comprehensive income for the period								
Net loss for the period	-	-	-	-	(28 422)	(28 422)	184	(28 238)
Other comprehensive income								
Foreign currency translation differences	-	-	-	(6 825)	-	(6 825)	(2 051)	(8 876)
Total comprehensive income for the period	-	-	-	(6 825)	(28 422)	(35 247)	(1 867)	(37 114)
Transactions with owners of the Company, recognised directly in equity								
Contributions by owners of the Company	-	-	-	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-	-	-	-
Balance at 31 March 2014	6	113 342	47 245	(36 995)	(196 281)	(72 683)	(18 072)	(90 755)

The notes are an integral part of these financial statements.

Condensed consolidated statement of cash flows
for the six months ended 31 March 2015

	Six months ended 31 March 2015 US$'000	Six months ended 31 March 2014 US$'000
Cash flows from operating activities		
Profit/(loss) for the period	4 870	(28 238)

Adjustments for		
Depreciation of property, plant and equipment	5 421	5 448
Impairment losses on property, plant and equipment	3	–
Impairment losses on goodwill	33	36
Impairment losses on inventory	250	1 729
Changes in fair value of financial liabilities at fair value through profit or loss	–	30 635
Interest income	(450)	(207)
Changes in fair value of financial assets at fair value through profit or loss	(727)	1 018
Interest expense	6 392	7 214
Tax	2 193	(2 911)
Equity-settled share based payments	202	–
	18 187	14 724
Changes in		
Inventories	3 683	4 185
Trade and other receivables	(12 754)	6 020
Trade and other payables	7 005	4 402
Provisions	(175)	(32)
Cash from operations	15 946	29 299
Income tax paid	(529)	(489)
Net cash flows from operating activities	15 417	28 810
Cash flows from investing activities		
Interest received	371	207
Additions to property, plant and equipment	(9 113)	(10 189)
Refunds/(additions) of other financial assets	2 917	(557)
Net cash flows used in investing activities	(5 825)	(10 539)
Cash flows from financing activities		
Refund/(establishment) of long term deposits	824	(8 159)
Proceeds from/(repayment of) bank credit and other facility borrowings	11 289	(5 825)
Net proceeds from obligations under finance leases	759	–
Repayment of secured bank borrowings and loan to third party	(14 072)	(15 288)
Interest paid	(579)	(175)
Net cash flows used in financing activities	(1 779)	(29 447)
Net increase/(decrease) in cash and cash equivalents	7 813	(11 176)
Cash and cash equivalents at the beginning of the period	19 629	28 017
Effect of exchange rate fluctuations on cash held	(709)	(2 748)
Cash and cash equivalents at the end of the period	26 733	14 093

The notes are an integral part of these financial statements.

Notes to the condensed consolidated interim
financial statements
for the six months ended 31 March 2015

1. REPORTING ENTITY

Tharisa plc (the Company) is a company domiciled in Cyprus. These condensed consolidated interim financial statements of the Company as at and for the six months ended 31 March 2015 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.

2. BASIS OF PREPARATION

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), International Accounting Standard, IAS 34 Interim Financial Reporting, the Listings Requirements of the JSE Limited 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 as at and for the year ended 30 September 2014. These condensed consolidated interim financial statements do not include all the information required for full annual consolidated financial statements, prepared in accordance with IFRS.

These condensed consolidated interim financial statements were approved by the board of directors on 15 June 2015.

(b) Use of estimates and judgements

Preparing the condensed consolidated interim 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 interim 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 as at and for the year ended 30 September 2014.

(c) Going concern basis

The Group has made a profit for the period ended 31 March 2015 of US$4 870 thousand (2014: loss of US$28 238 thousand). However, as at that date its current liabilities exceeded its current assets by US$2 831 thousand (2014: US$1 475 thousand).

The cash flow forecasts of the Group reflect a positive cash flow position sufficient to meet the operational cash flows, the approved capital expenditure and the debt repayments. Achievement of the near term cash flow forecast is however dependent on the planned production levels being achieved, recognising that the Group is still in a ramp up phase, and/or no weakening in future South African Rand commodity prices. Should the forecast production not be achieved and/or South African Rand commodity prices weaken this may result in a shortfall in working capital. In such circumstances, a material uncertainty exists which may cast doubt on the ability of the Group to continue as a going concern and it may be unable to realise its assets and settle its liabilities in the normal course of business without additional fund raising.

The financial statements, however, continue to be prepared on the going concern basis.

(d) New and revised International Financial Reporting Standards and Interpretations
As from 1 October 2014, the Group adopted all changes to IFRS, which are relevant to its operations. This adoption did not have a material effect on the accounting policies of the Group.

The following Standards, Amendments to Standards and Interpretations have been issued but are not yet effective for annual periods beginning on 1 October 2014. The board of directors is currently evaluating the impact of these on the Group.

Standards and Interpretations
- IFRS 9 "Financial Instruments" (effective the latest as from the commencement date of its first annual period beginning on or after 1 January 2018).
- IFRS 11 (Amendments) "Accounting for Acquisitions of Interests in Joint Operations" (effective the latest as from the commencement date of its first annual period beginning on or after 1 January 2016).
- IFRS 14 "Regulatory Deferral Accounts" (effective the latest as from the commencement date of its first annual period beginning on or after 1 January 2016).
- IFRS 15 "Revenue from Contracts with Customers" (effective the latest as from the commencement date of its first annual period beginning on or after 1 January 2017).
- Amendments to IAS 16 and IAS 38-Clarification of Acceptable Methods of Depreciation and Amortisation (effective the latest as from the commencement date of its first annual period beginning on or after 1 January 2016).

3. SIGNIFICANT ACCOUNTING POLICIES
The accounting policies applied by the Group in these condensed consolidated interim 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 2014.

4. OPERATING Segments
The Group has two reportable segments, the PGM segment and the chrome segment. Information regarding the results of each reportable segment is included below. Performance is measured based on segment revenue, cost of sales and gross profit, as included in the internal management reports that are reviewed by the Group's management. Segment revenue, cost of sales and gross profit are used to measure performance as management believes that such information is the most relevant in evaluating the results of each segment.

	PGM	Chrome	Total
Six months ended 31 March 2015	US$'000	US$'000	US$'000
Revenue	44 087	79 613	123 700
Cost of sales			
Cost of sales excluding selling costs	26 766	44 715	71 418
Selling costs	95	29 319	29 414
	26 861	74 034	100 895
Gross profit	17 226	5 579	22 805

The overhead costs relating to the manufacturing of the PGM concentrate and the chrome concentrates are allocated to the relevant products based on the relative sales value per product. The allocated percentage for chrome concentrates and PGM concentrate accounted for in the previous reporting period is 60% and 40% respectively. Due to the increase in the revenue relating to the PGM concentrate for the period under review, the allocated percentage was amended to 50% each applicable from 1 October 2014.

	PGM	Chrome	Total
Six months ended 31 March 2014	US$'000	US$'000	US$'000
Revenue	35 798	90 340	126 138
Cost of sales			
Cost of sales excluding selling costs	24 650	44 246	68 896
Selling costs	57	36 955	37 012
	24 707	81 201	105 908
Gross profit	11 091	9 139	20 230

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.

	Six months ended	
	31 March 2015	31 March 2014
	US$'000	US$'000
Revenue from external customers		
China	49 464	36 172
South Africa	49 744	43 030

Singapore	736	25 763
Hong Kong	17 817	16 795
Other countries	5 939	4 378
	123 700	126 138

	Six months ended	
	31 March 2015	31 March 2014
	US$'000	US$'000
5. ADMINISTRATIVE EXPENSES		
Directors and staff costs		
Non-executive directors	245	282
Executive directors	713	754
Other key management	510	541
Group employees	4 633	6 047
	6 101	7 624
Consulting	832	628
Insurance	694	291
Audit	279	327
Depreciation	127	237
Travelling and accommodation	248	431
Legal and professional	249	341
Listing costs	73	669
Corporate social investment	177	291
Security	302	367
Rent and utilities	408	793
Telecommunications and IT related costs	261	290
Sundry expenses	990	528
	10 741	12 817

6. TAX

Tax is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period.

The Group's consolidated effective tax rate for the six months ended 31 March 2015 and 2014 was 31.0% and 9.3% respectively.

The change in the effective tax rate for the six months ended 31 March 2015 was mainly attributable to a decrease in the disallowable taxable expenses of the Company and the deferred tax credit on the taxable losses of subsidiaries operating in tax jurisdictions with higher tax rates no longer being recognised.

	Six months ended	
	31 March 2015	31 March 2014
7. PROFIT/(LOSS) PER SHARE		
(i) Basic and diluted profit/(loss) per share		
The calculation of basic and diluted profit/(loss) per share has been based on the following profit/(loss) attributable to the ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding.		
Profit/(loss) for the period attributable to ordinary shareholders (US$'000)	3 361	(28 422)
Weighted average number of ordinary shares at 31 March ('000)	254 781	241 591
Basic and diluted profit/(loss) per share (US$)	0.01	(0.12)

	31 March 2015 Number of shares ('000)	31 March 2014 Number of shares ('000)
Issued ordinary shares at beginning of period	254 781	6 170
Effect of bonus issue of ordinary shares	–	154 247
Effect of convertible redeemable preference shares converted into ordinary shares	–	81 174
Weighted average number of ordinary shares at 31 March	254 781	241 591

For the purpose of calculating basic and diluted profit/(loss) per share, the weighted average number of ordinary shares used in the above calculations reflects the effect of the bonus issue and the conversion of the redeemable convertible preference shares as disclosed in the Group's audited consolidated financial statements as at and for the year ended 30 September 2014.

At 31 March 2015, 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.

(ii) Headline and diluted headline profit/(loss) per share

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

	Six months ended	
	31 March 2015	31 March 2014

Headline profit/(loss) for the period attributable to the ordinary shareholders (note 7(iii)) (US$'000)	3 396	(28 386)
Weighted average number of ordinary shares at 31 March (note 7(i)) ('000)	254 781	241 591
Headline and diluted headline profit/(loss) per share (US$)	0.01	(0.12)

	Six months ended	
	31 March 2015	31 March 2014
	US$'000	US$'000
(iii) Reconciliation of profit/(loss) to headline profit/(loss)	net	Net
Profit/(loss) attributable to ordinary shareholders of the Company	3 361	(28 422)
Adjustments		
Impairment losses on goodwill	33	36
Impairment losses on property, plant and equipment	3	-
Tax effect of impairment losses on property, plant and equipment	(1)	-
Headline profit/(loss)	3 396	(28 386)

8. PROPERTY, PLANT AND EQUIPMENT

(a) Acquisitions and disposals

During the six months ended 31 March 2015 and 2014 the Group acquired assets with a cost, excluding capitalised borrowing costs, of US$9 113 thousand and US$10 189 thousand respectively.

There has been no disposal of assets during the six months ended 31 March 2015 and 2014, thus no gain or loss on disposal has been recognised in profit or loss.

(b) Impairment losses

During the six months ended 31 March 2015 and 2014 the Group recognised impairment losses of US$3 thousand and US$ nil respectively, on the carrying amount of mining assets and infrastructure. The impairment loss resulted from assets damaged in mining operations and is recognised in cost of sales in the condensed consolidated statement of profit or loss and other comprehensive income.

(c) Capital commitments

At 31 March 2015 and 30 September 2014, the Group's capital commitments for contracts to purchase property, plant and equipment amounted to US$3 626 thousand and US$4 411 thousand respectively.

(d) Securities

At 31 March 2015 and 30 September 2014, an amount of US$217 196 thousand and US$228 345 thousand of the carrying amount of the Group's tangible property, plant and equipment was pledged as security against secured bank borrowing and third party borrowing (see note 14).

	31 March 2015	30 September 2014
	US$'000	US$'000
9. LONG-TERM DEPOSITS		
Long-term deposits	13 377	14 479

The amount of US$13 377 thousand is restricted and designated as a "debt service reserve account" as required by the terms of the secured bank borrowings.

	Fair value hierarchy	31 March 2015 US$'000	30 September 2014 US$'000
10. OTHER FINANCIAL ASSETS			
Non-current assets			
Investments in cash funds and income funds (note 10(a))	Level 2	1 838	4 969
Interest rate caps (note 10(b))	Level 2	13	39
		1 851	5 008
Current assets			
Investments at fair value through profit or loss (note 10(c))	Level 1	61	86
Discount facility (note 10(d))	Level 2	257	356
Loans and receivables (note 10(e))		26	-
		344	442

(a) The investments in cash funds and income funds are unsecured and held at fair value through profit or loss (designated). Fair values are based on quoted market prices at the end of the reporting period without any deduction for transaction costs.

Investments in cash funds and income funds totalling US$1 001 thousand are provided to Lombard Insurance Group as collateral against a guarantee issued by a subsidiary of the Company to Lombard Insurance Group which guarantees the payment of certain liabilities of the subsidiary to Transnet.

(b) Interest rate caps were obtained from a consortium of financial institutions, against the floating three month Johannesburg Interbank Agreed Rate (JIBAR) on 25% of the secured bank borrowing. The interest rate caps have a strike rate of 7.5% and terminate on 31 March 2017. The balance is held at fair value through profit or loss (held for trading). Fair values are based on quoted market prices at the end of the reporting period without any deduction for transaction costs.

(c) Investments at fair value through profit or loss are valued based on quoted market prices at the end of the reporting period without any deduction for transaction costs.

(d) Discount facility relates to fair value adjustments on the limited recourse disclosed receivables discounting facility (discount facility) with ABSA, Nedbank and HSBC in terms of which 98% of the sales of platinum, palladium and gold (included in PGM) is sold at an effective finance cost of JIBAR (three month) + 200 basis points. The facility is for an amount of ZAR300 million. The balance is held at fair value through profit or loss (designated). The fair values are calculated by multiplying the actual metal quantities per discounted invoice with the difference between the hedged metal price per discounted invoice and the average spot metal price translated to ZAR using the average monthly rate.

(e) Loans and receivables are measured at amortised cost.

	31 March 2015 US$'000	30 September 2014 US$'000
11. INVENTORIES		
Finished products	6 230	6 891
Ore stockpile	956	1 517
PGM residual stockpile	404	3 011
Consumables	3 720	3 148
	11 310	14 567

During the six months ended 31 March 2015 and 31 March 2014, the Group wrote down its inventories by US$250 thousand and US$1 729 thousand respectively. The write down is included in cost of sales in the condensed consolidated statement of profit or loss and other comprehensive income.
Inventories have a general notarial bond in favour of the lenders of the secured bank borrowings.

12. ORDINARY SHARE CAPITAL
The Company did not issue any ordinary share capital and did not declare or pay any dividends during the six months ended 31 March 2015 and 31 March 2014.

13. PROVISIONS
The Group has a legal obligation to rehabilitate the site where the Group's mine is located, once the mining operations cease which would be when the current mine life of the project expires.

The provision for future rehabilitation at 31 March 2015 and 30 September 2014 amounted to US$5 088 thousand and US$4 452 thousand respectively. During the six months ended 31 March 2015 and 31 March 2014, the provision for future rehabilitation recognised/(derecognised) to inventories was US$677 thousand and US$(372 thousand) respectively and to mining assets and infrastructure US$134 thousand and US$(165 thousand) respectively.
The amounts recognised in profit or loss for the same periods amounted to US$182 thousand and US$181 thousand respectively.

An insurance company provided a guarantee to the Department of Mineral Resources of South Africa to satisfy the requirements of the Mineral and Petroleum Resources Development Act with respect to environmental rehabilitation.
The fair value is measured using valuation methodologies in which any significant inputs are not based on observable market data. The balance is considered as level 3 in the fair value hierarchy.

The interest rate used for estimating future costs is the long term risk free rate as indicated by the RI86 government bond of South Africa, which was 7.8% and 8.3% as at 31 March 2015 and 30 September 2014 respectively. The net present value of the current rehabilitation estimate is based on the average of the long term inflation target range of the South African Reserve Bank of between 3% and 6%, as at 31 March 2015 and 30 September 2014.

	31 March 2015 US$'000	30 September 2014 US$'000
14. BORROWINGS		
Non-current		
Secured bank borrowing	50 349	63 333
Other borrowings - loan payable to third party	-	890
	50 349	64 223
Current		
Secured bank borrowing	16 826	17 899
Other borrowings - loan payable to third party	1 350	1 095
Other borrowings - bank credit and other facility	21 064	9 775
Other borrowings - obligations under finance leases	745	-
Other borrowings - loan payable to related party	2 184	2 217
	42 169	30 986

There have been no changes in the terms, securities and financial covenants of the above borrowing facilities during the six months ended 31 March 2015, compared to those disclosed in the Group's consolidated financial statements as at and for the year ended 30 September 2014 other than insurance premium finance provided under finance lease to Tharisa Minerals Proprietary Limited, a subsidiary of the Group, for an amount of ZAR13 340 thousand repayable in 12 monthly instalments commencing 1 December 2014. The finance is guaranteed by Tharisa plc for an amount of ZAR14 million and bears interest at a rate of 7.92% p.a.

15. FAIR VALUES

The board of directors considers that the fair values of significant financial assets and liabilities approximate their carrying values at each reporting date.

	31 March 2015 US$'000	31 March 2014 US$'000
16. RELATED PARTY TRANSACTIONS		
Significant transactions carried at arm's length with related parties during the period were as follows:		
Interest expense		
Langa Trust	125	150
Arti Trust	157	338
Ditodi Trust	12	25
Makhaye Trust	12	25
The Phax Trust	24	51
The Rowad Trust	12	25
Moira June Jacquet-Briner	12	25
	354	639

Compensation to key management of the Company for the period ended 31 March 2015 and 31 March 2014 is set out in the tables below:

	Salary and fees US$'000	Other short-term benefits US$'000	Post employment benefits US$'000	Share based payments US$'000	Total US$'000
2015 compensation to key management					
Non-executive directors' remuneration	245	–	–	–	245
Executive directors' remuneration	638	21	31	23	713
Other key management remuneration	401	50	43	16	510
Total	1 284	71	74	39	1 468
2014 compensation to key management					
Non-executive directors' remuneration	282	–	–	–	282
Executive directors' remuneration	697	23	34	–	754
Other key management remuneration	462	31	48	–	541
Total	1 441	54	82	–	1 577

17. CONTINGENT LIABILITIES

During the period under review, the Company received a "letter before action" from a firm of solicitors representing a shareholder which asserts intended claims against, inter alia, the Company for damages purporting to arise in the context of the listing of the Company on the JSE Limited and the compulsory conversion of the convertible redeemable preference shares held by that shareholder in the Company into ordinary shares as provided for in the terms of the convertible redeemable preference shares.

In accordance with paragraph 92 of IAS 37 "Provisions, contingent liabilities and contingent assets" no further information is disclosed in relation to the subject matter on the grounds that it may prejudice the position of the Company in a dispute with other parties.

18. MINE RESOURCE AND RESERVE STATEMENT

The Group owns and operates the Tharisa Mine, a co-producing, open pit PGM and chrome mine located in the Bushveld Complex of South Africa. The proven and probable open pit and underground mine reserve as at 31 December 2013 certified by independent experts amounted to 125.9 million tonnes. This reserve as at 31 March 2015, due to normal mining operations, has been reduced by approximately 4.8 million tonnes. The total mineral resource similarly decreased as a result of depletion during the period.

19. SUBSEQUENT EVENTS

There were no material events after the reporting period, which have a bearing on the understanding of the condensed consolidated interim financial statements.

Summarised production data
for the six months ended 31 March 2015

		Half year ended 31 March 2015	Quarter ended 31 March 2015	Quarter ended 31 December 2014*	Half year ended 31 March 2014	Financial year ended 30 September 2014
Reef mined	kt	1 948.0	1 042.1	905.9	1 957.8	3 908.5
Stripping ratio	m(3) waste/ m(3) reef	10.0	9.8	10.1	9.2	10.6
Reef milled	kt	2 198.7	1 167.1	1 031.6	1 919.0	3 913.1
PGM rougher feed grade	g/t	1.65	1.65	1.67	1.68	1.63
6E PGMs produced	koz	57.4	33.0	24.4	38.4	78.2
PGM recovery	%	63.1	68.6	56.9	47.7	48.8
Average PGM contained metal basket price	US$/oz	945	935	956	1 079	1 103
Cr2O3 RoM grade	%	18.7	18.8	18.5	20.1	19.4
Chrome concentrates						

produced	kt	563.3	305.5	257.8	569.4	1 085.2
42% metallurgical grade	kt	515.9	283.6	232.3	500.0	937.0
Chemical and foundry grades	kt	47.4	21.9	25.5	69.4	148.2
Chrome yield	%	25.6	26.2	25.0	29.7	27.7
42% metallurgical grade chrome concentrate contract price	US$/t CIF China	156	155	159	151	158
Average exchange rate	ZAR:US$	11.5	11.7	11.1	10.5	10.6

*Loss of plant production time of 12% for the quarter, following the fatality on 5 November 2014 and the section 54

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