



FY2016 ANNUAL RESULTS

29 NOVEMBER 2016

tharisa



DISCLAIMER

These Presentation Materials are for information purposes only and must not be used or relied upon for the purpose of making any investment decision or engaging in any investment activity. Whilst the information contained herein has been prepared in good faith, neither Tharisa plc (the “Company”), its subsidiaries (together, the “Group”) nor any of the Group’s directors, officers, employees, agents or advisers makes any representation or warranty in respect of the fairness, accuracy or completeness of the information or opinions contained in this presentation and no responsibility or liability will be accepted in connection with the same. The information contained herein is provided as at the date of this presentation and is subject to updating, completion, revision, verification and further amendment without notice.

These Presentation Materials contain forward-looking statements in relation to the Group. By its very nature, such forward-looking information requires the Company to make assumptions that may not materialise or that may not be accurate. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the control of the Company that could cause the actual performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Nothing in this presentation should be construed as a profit forecast. Past share performance cannot be relied on as a guide to future performance.

FY2016 HIGHLIGHTS

BEST IN CLASS SAFETY AWARD 2016

RECORD ROM MINED

↑ 15.6%

4.8 Mt
(2015: 4.2 Mt)

RECORD CHROME CONCENTRATE PRODUCTION

↑ 10.8%

1.2 Mt
(2015: 1.1 Mt)

RECORD EBITDA

↑ 48.3%

US\$43.0m
(2015: US\$29.0m)

MAIDEN DISTRIBUTION TO SHAREHOLDERS PROPOSED

US\$ 1 cent
(TOTAL PROPOSED DISTRIBUTION: US\$2.57m)

RECORD PGM PRODUCTION

↑ 12.4%

132.6 koz
(2015: 118.0 koz)

INCREASED SPECIALTY GRADE PRODUCTION

↑ 138.8%

269.4 kt
(2015: 112.8 kt)

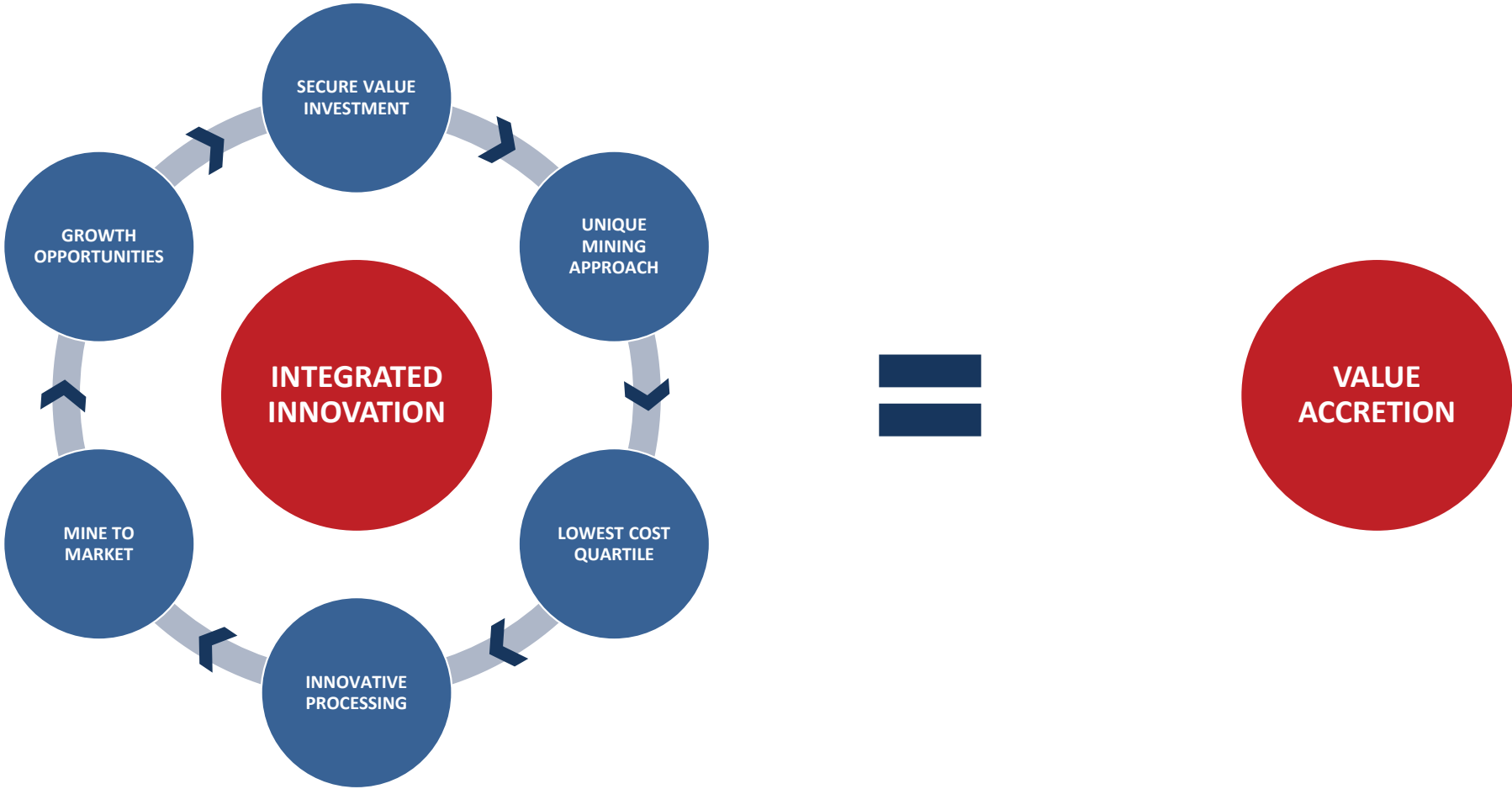
RECORD PROFITABILITY - HEPS

↑ 200%

US\$ 6 cents
(2015: US\$ 2 cents)

LSE LISTING

IMPROVED LIQUIDITY
MAIN BOARD STANDARD LISTING
8 JUNE 2016



THEMES FOR FY2016

CHALLENGES

SAFETY RELATED STOPPAGES IN Q1 FY2016

COMMODITY PRICE VOLATILITY

ACHIEVEMENTS

BEST IN CLASS SAFETY AWARD

RECORD PERFORMANCE IN MINING AND PRODUCTION

ACHIEVING ANNUALISED STEADY STATE PRODUCTION

INCREASED PRODUCTION OF SPECIALTY GRADE CHROME CONCENTRATES

RECORD PROFITABILITY

MAIDEN DISTRIBUTION TO SHAREHOLDERS PROPOSED

DEBT REDUCTION



VALUE CHAIN

THARISA MINERALS

<p>RESOURCE 877.7 Mt resource 98.9 Mt reserve of which 80.2 Mt open pit</p>	<p>MINING 18 year open pit LOM 40 year underground extension</p>	<p>PROCESSING 400 ktpm nameplate capacity Genesis Plant (100 ktpm) Voyager Plant (300 ktpm)</p>
<p>LARGE SCALE One of the world's largest single chrome resources</p>	<p>MECHANISED Mechanised open pit mining with a skilled and small labour force Contractor mining model</p>	<p>DERISKED In production, major capex complete Steady state production of 147.4 koz PGMs and 1.3 Mt of chrome concentrates</p>

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

ARXO METALS

<p>BENEFICIATION Production of specialty grade chrome concentrates</p>
<p>R&D New technology assessment</p>

ARXO RESOURCES/DINAMI

MARKETING AND SALES
Significant trader of chrome concentrates to China
Global reach for specialty chrome concentrates

ARXO LOGISTICS

LOGISTICS
Road/rail transport, warehouse and port facilities for bulk chrome concentrates
Road transport of PGMs

CUSTOMERS

AGREEMENTS
PGM offtake– Impala Platinum
Specialty offtake/agency – Rand York Metallurgical agency – Noble Group
Relationships with stainless steel and ferrochrome producers and global commodity traders

— PRODUCTION AND OPERATIONAL REVIEW

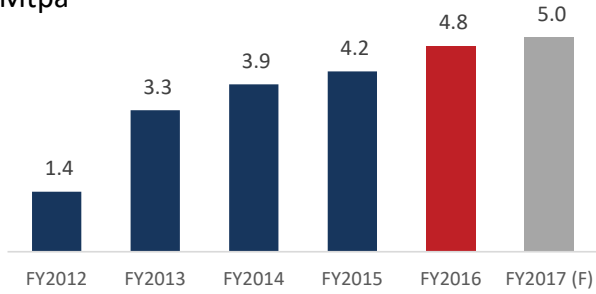


HIGHLIGHTS

REEF MINED

↑15.6%

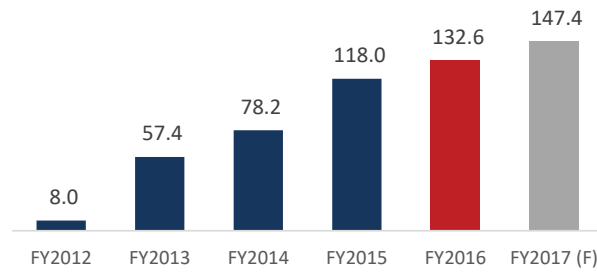
Mtpa



PGM PRODUCTION

↑12.4%

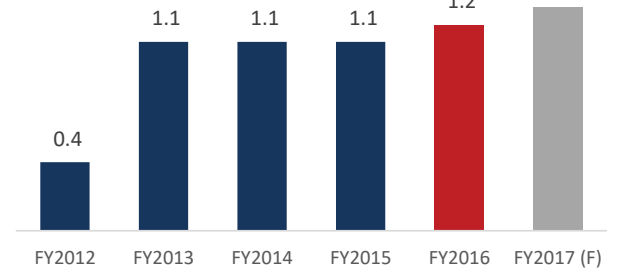
5PGE + Au kozpa



CHROME PRODUCTION

↑10.8%

Mtpa



OPERATIONAL HIGHLIGHTS

KEY OPERATIONAL METRICS

		FY2016	FY2015	% change
ROM mined	Mt	4.8	4.2	15.6%
Stripping ratio	m ³ :m ³	7.3	10.7	
PGM rougher feed grade	g/t	1.65	1.62	1.9%
Chrome grade	%	18.0	18.3	(1.6%)
ROM processed	Mt	4.7	4.4	5.8%
PGM recovery	%	69.9	65.8	6.2%
PGM in concentrate	koz	132.6	118.0	12.4%
Chrome recovery	%	62.7	58.0	8.1%
Chrome concentrate	Mt	1.2	1.1	10.8%
PGM basket price	US\$/oz	736	885	(16.8%)
Chrome concentrate price (42% CIF China)	US\$/t	120	158	(24.1%)
Specialty concentrate price (Average on FOB basis)	US\$/t	127	146	(13.7%)
Average exchange rate	ZAR:US\$	14.8	12.0	

FY2017 GUIDANCE

MINERAL RESOURCE
AND RESERVE

MINERAL RESOURCE

877.7 Mt

*1.58 gpt 6PGE+Au
20.5% Cr₂O₃*

MINERAL RESERVE

98.9 Mt

*1.50 gpt 5PGE+Au
20.1% Cr₂O₃*

STEADY STATE
MINING

ROM

5.0 Mtpa

LOM STRIPPING RATIO

9.7 m³:m³_{OPEN PIT}

STEADY STATE
PRODUCTION

PGMS

147.4 kozpa

CHROME

1.3 Mtpa

TARGET RECOVERIES

PGMS

70%

CHROME

65%

SUSTAINABILITY

HEALTH AND SAFETY

- Fatality free year achieved
- LTIFR of 0.36 per 200 000 man hours
- Best Safety Performance in class award at MineSAFE 2016

LABOUR RELATIONS

- No labour disruptions during the year
- 502 direct employees and 1 685 contractors
- In the second year of the three year agreement with NUM
- NUM representation of 65% within Tharisa Minerals
- Mining contractor MCC in the first year of its national three year wage deal

TRAINING AND DEVELOPMENT

- On mine training centre opened
- Learnerships, adult education and training



LTIFR
0.36
(2015: 0.06)



ON MINE EMPLOYEES AND CONTRACTORS
2 187
(2015: 2 000)



SUSTAINABILITY

ENVIRONMENT

- Subscribe to the Equator Principles
- Environmental monitoring plan

THUSANANG WELLNESS PROGRAMME

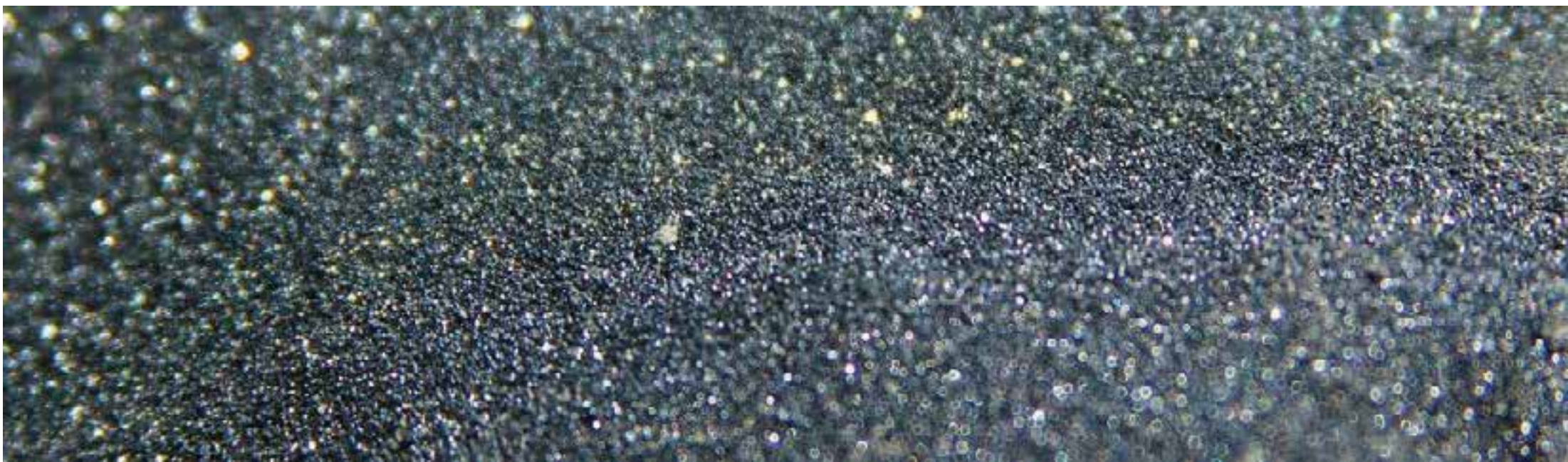
- TB programme
- HIV/AIDS programme
- Wellness days
- Peer educator programme – currently 46 peer educators

COMMUNITY PROJECTS

- Support of community SMME – Rocasize
 - Garden services
 - Brick making
 - Clothing and personal protective equipment
- Retief Primary school food forest



— COMMODITY MARKETS

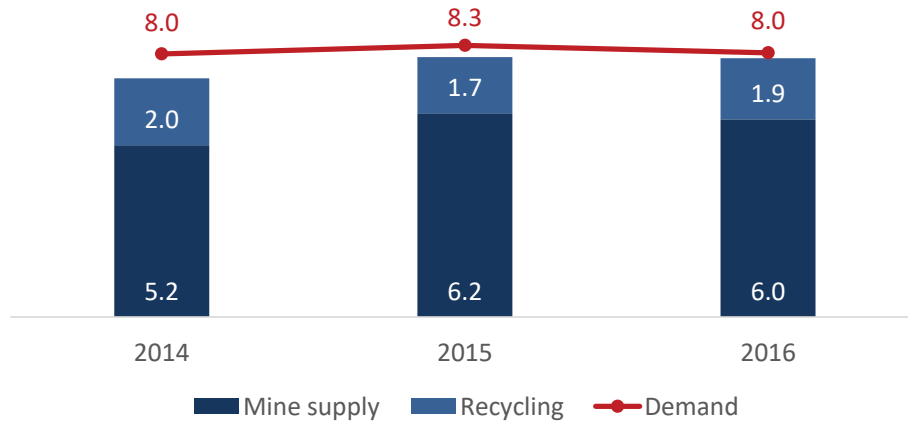


PGM MARKET

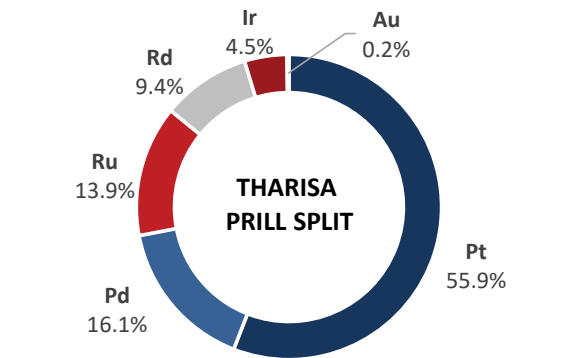
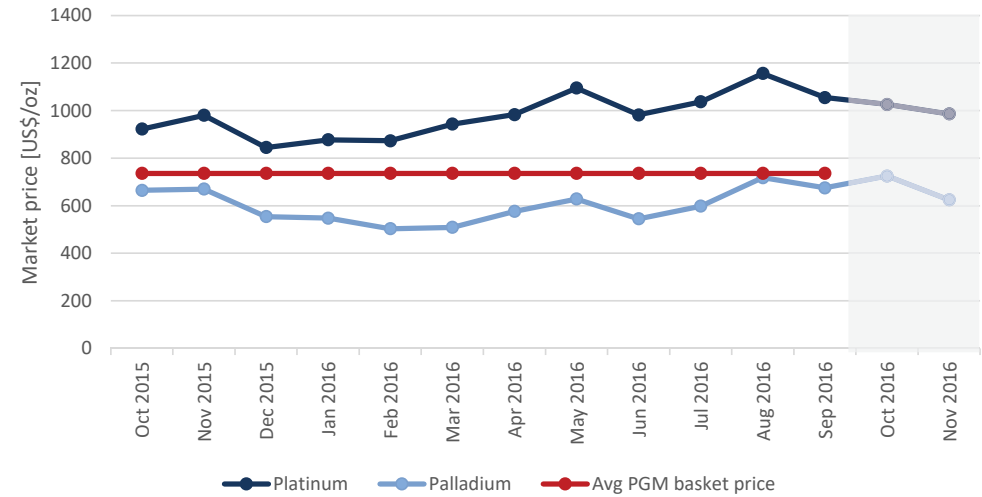
DEMAND AND SUPPLY

- Platinum forecast to remain in deficit for 2016 by 170 koz
- Demand is driven by the autocatalyst, jewellery, industrial and investment sectors
- In 2017 platinum to remain in deficit by 100 koz
- Palladium forecast to remain in deficit for 2016 by 651 koz
- Palladium to remain in deficit for 2017

PLATINUM DEMAND AND SUPPLY [Moz]



PLATINUM AND PALLADIUM MARKET PRICE

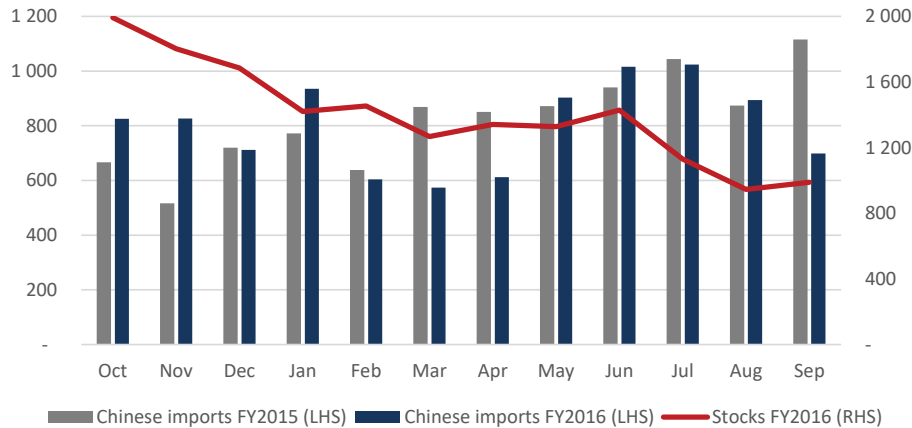


CHROME MARKET

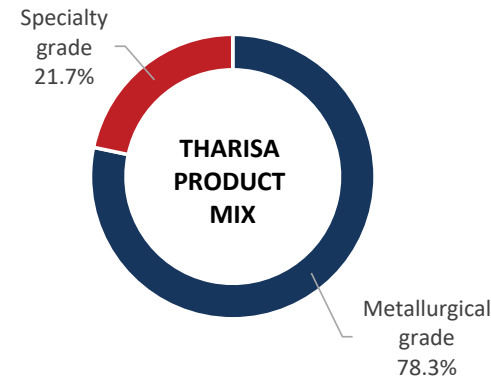
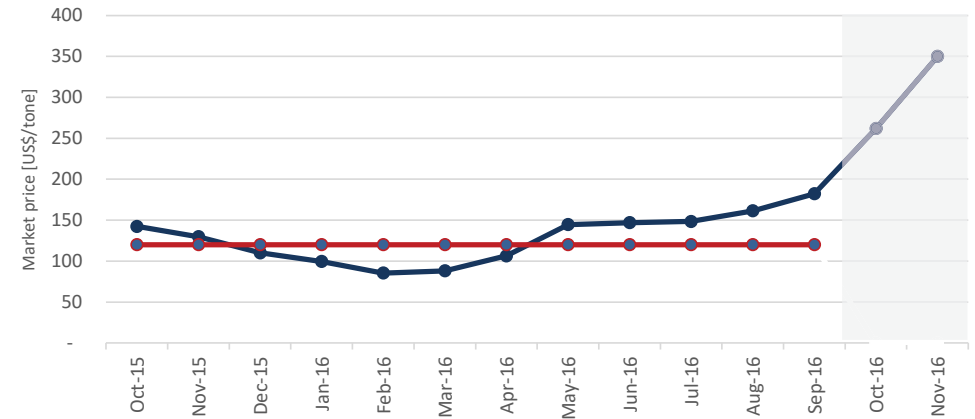
DEMAND AND SUPPLY

- Demand for metallurgical grade chrome concentrate is driven by its use in the manufacture of stainless steel
- Production of stainless steel for 2016 forecast at 5% growth and 2.7% for 2017
- China is wholly dependent on imports of chrome ore/alloy

CHROME ORE IN CHINA [kt]



METALLURGICAL GRADE CHROME CONCENTRATE PRICE



CHEMICAL GRADE	FOUNDRY GRADE
Cr ₂ O ₃ – 45% to 47% SiO ₂ - <1.2%	Cr ₂ O ₃ - >46% SiO ₂ - <1.0%
Used to produce sodium dichromate used in leather tanning, pigments, plating	Used in moulds for metal castings and nozzle sands

— **FINANCIAL RESULTS**

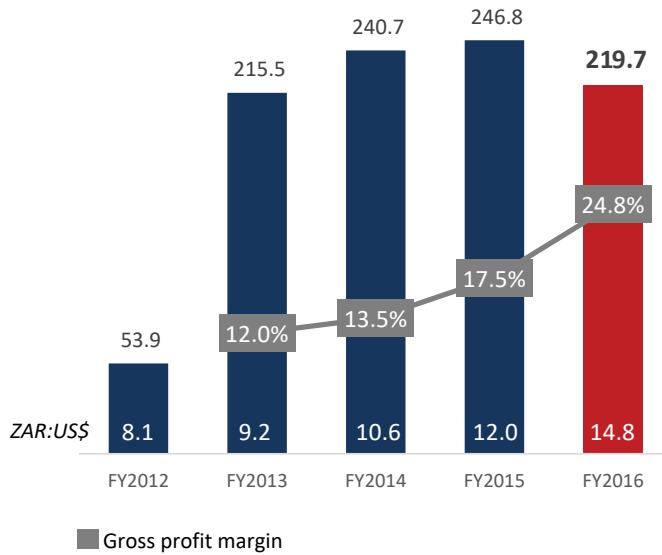


HIGHLIGHTS

GROUP REVENUE

↓ 11.0%

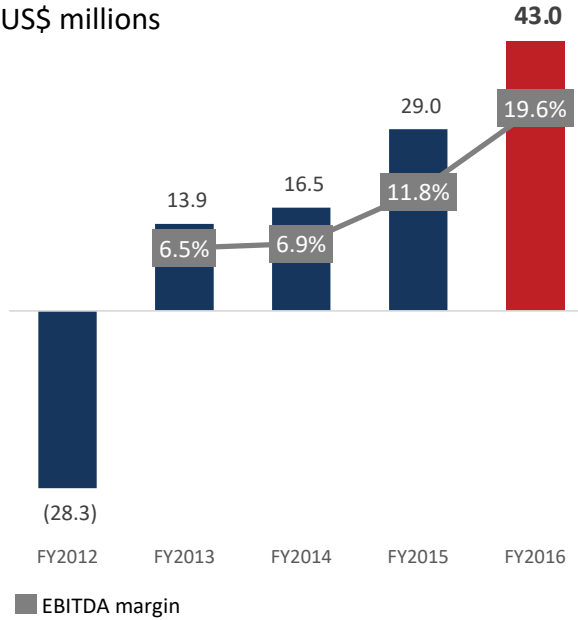
US\$ millions



EBITDA

↑ 48.3%

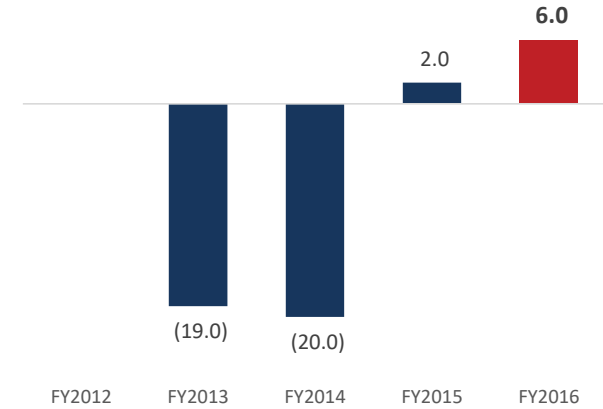
US\$ millions



HEADLINE EARNINGS PER SHARE

↑ 200%

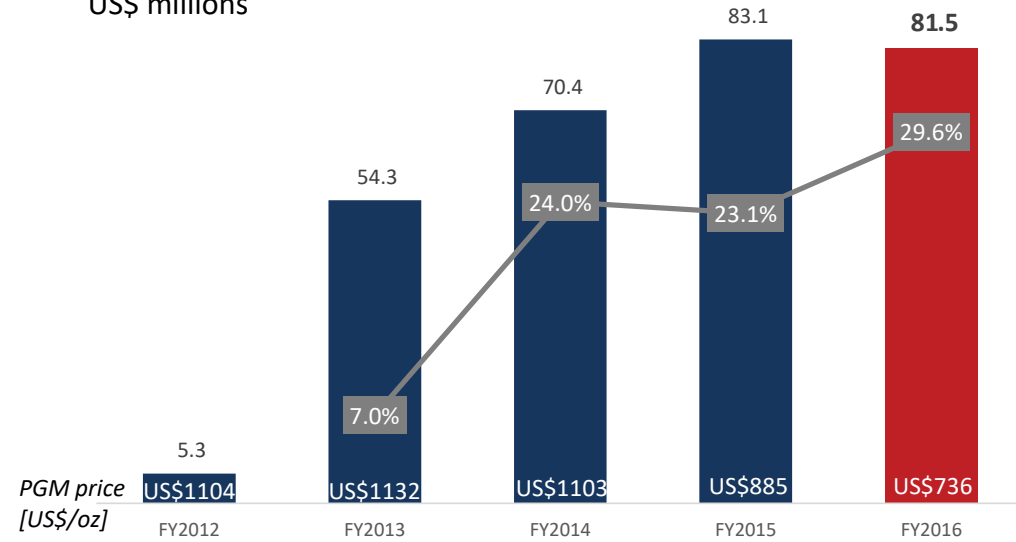
US\$ cents



SEGMENTAL ANALYSIS

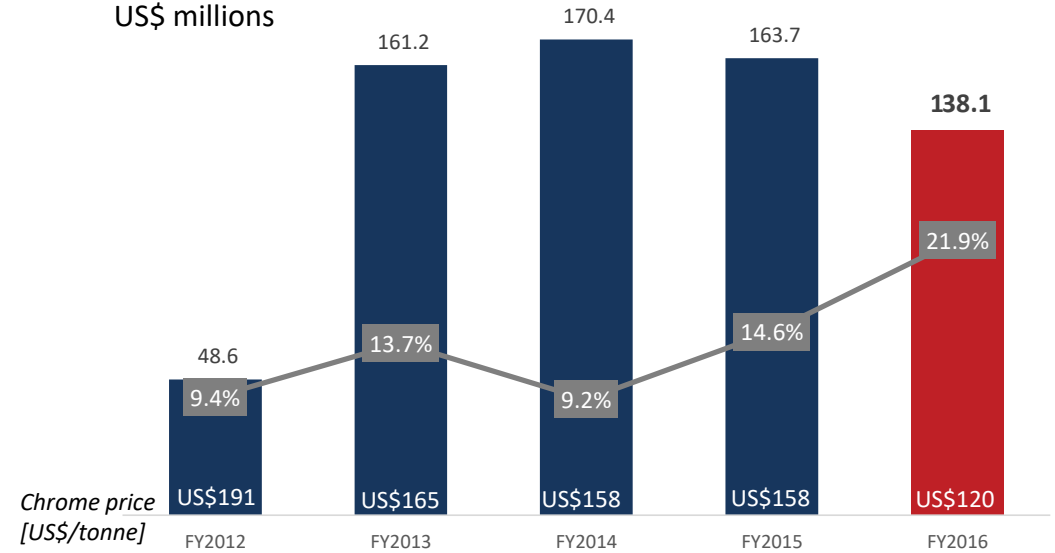
PGM REVENUE AND GROSS PROFIT MARGIN

US\$ millions

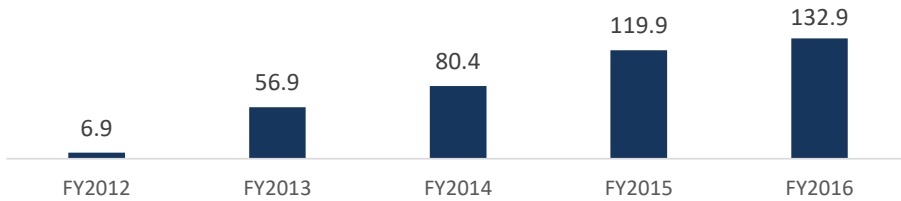


CHROME REVENUE AND GROSS PROFIT MARGIN

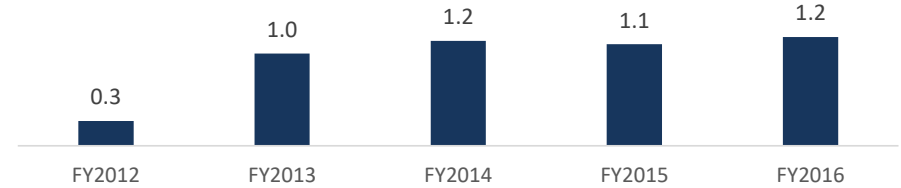
US\$ millions



PGM SALES VOLUME [koz]



CHROME CONCENTRATE SALES VOLUME [Mt]



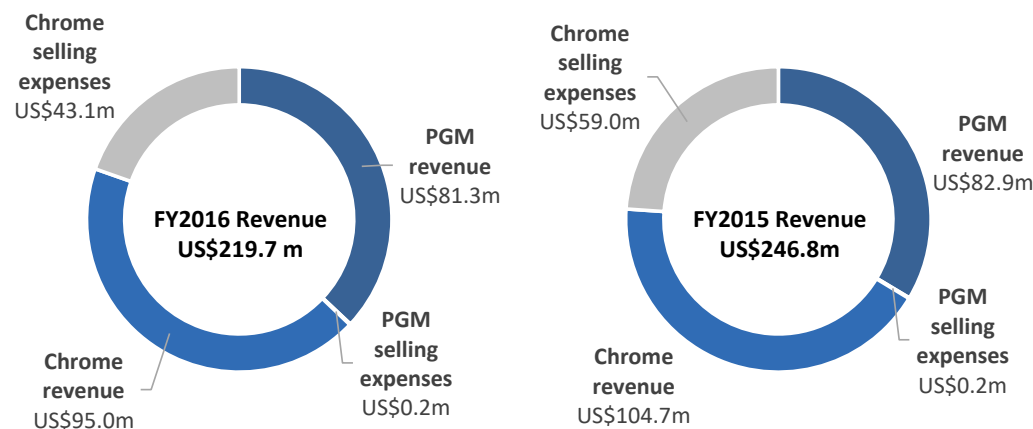
SUMMARY OF RESULTS

INCOME STATEMENT HIGHLIGHTS

US\$ millions	FY2016	FY2015	% change
Revenue	219.7	246.8	(11.0%)
Gross profit	54.5	43.1	26.5%
Gross profit margin	24.8%	17.5%	41.7%
Results from operating activities	32.1	18.4	74.5%
EBITDA	43.0	29.0	48.3%
EBITDA margin	19.6%	11.8%	66.1%
Net finance costs	10.2	8.7	17.2%
Profit/(loss) before tax	22.0	9.6	129.2%
Tax	6.2	3.6	72.2%
Profit /(loss) after tax	15.8	6.0	163.3%
Headline earnings per share (US\$ cent)	6	2	200.0%
Distribution to shareholders proposed (US\$ cent)	1	-	-

SEGMENTAL ANALYSIS

US\$ millions	FY2016		FY2015	
	PGMs	Chrome	PGMs	Chrome
Gross profit	24.2	30.3	19.2	23.9
Gross profit percentage	29.6%	21.9%	23.1%	14.6%
Sales volume	132.9 koz	1.2 Mt	119.9 koz	1.1 Mt
Average transport costs per tonne of chrome concentrate (CIF main ports China) a decrease of 24.5% - US\$		42		56



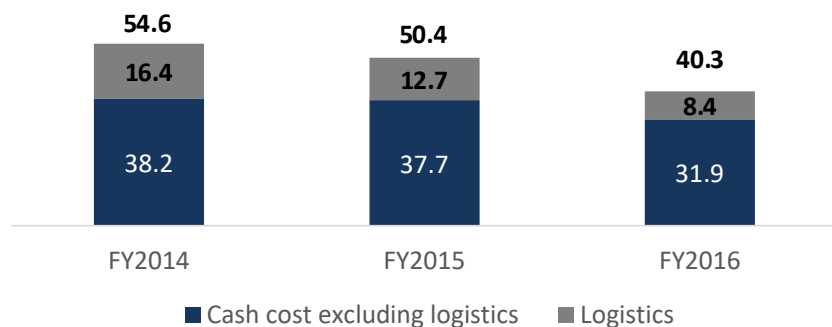
COST ANALYSIS

UNIT COSTS

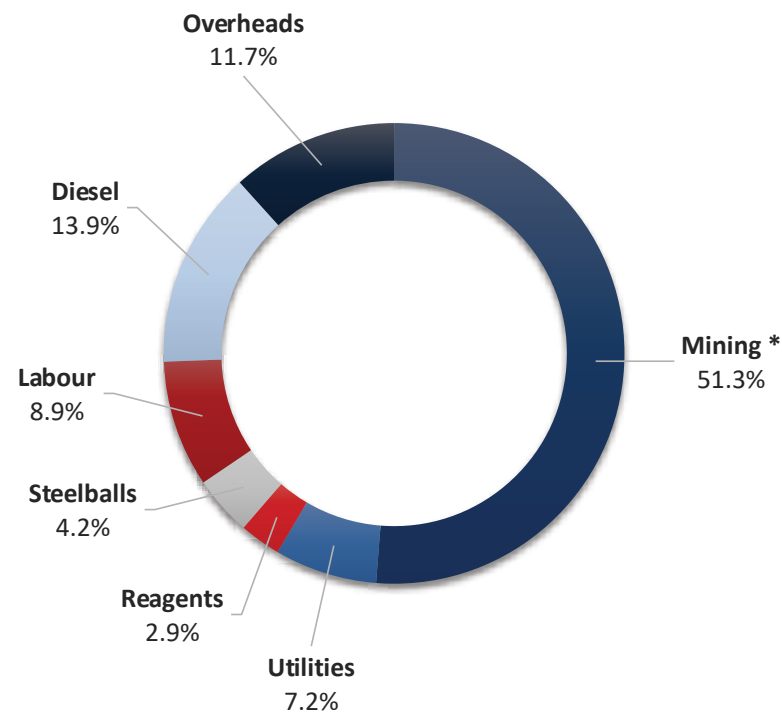
	FY2016	FY2015	% change
All in cost per Pt ounce sold	US\$438	US\$615	(28.8%)
All in cost per 42% chrome tonne sold	US\$85	US\$136	(37.5%)

CONSOLIDATED CASH COST PER TONNE MILLED

US\$/tonne milled



OPERATING COST ANALYSIS – EX WORKS



* Including contractor mining labour of 886 people

BALANCE SHEET

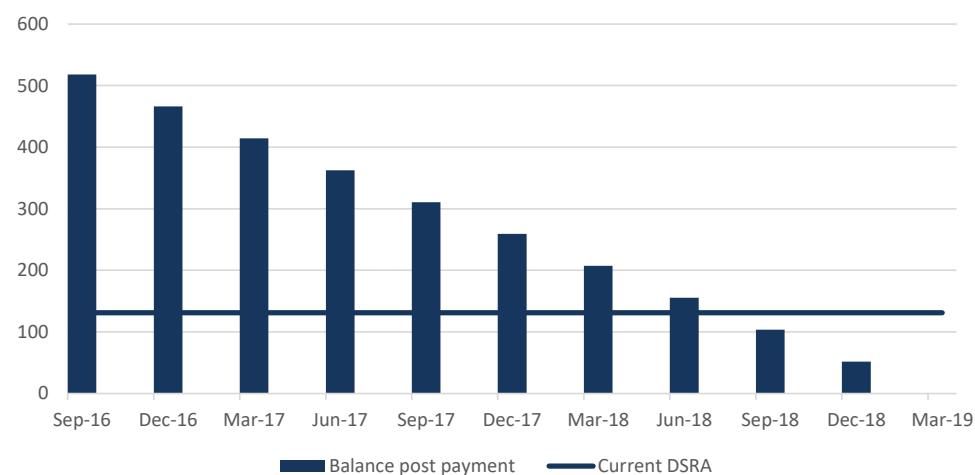
FUNDING

US\$ millions	FY2016	FY2015
Total interest bearing debt	67.1	75.6
Long term	24.0	36.3
Short term*	43.1	39.3
Debt service reserve account	9.8	10.6
Pro forma interest bearing debt	57.3	65.0
Pro forma debt to total equity ratio	28.4%	36.3%
Cash and cash equivalents	15.8	24.3
Net debt	41.4	40.7
Net debt to total equity ratio	20.5%	22.8%
Net current assets/(liabilities)	0.5	(10.3)
Return on equity	5.8%	2.0%

* Includes certain amounts in accounts payable relating mainly to accrued dividends payable by a subsidiary

SENIOR DEBT FINANCE FACILITY

ZAR millions



On 14 November 2016, Tharisa Minerals achieved project completion in respect of the senior debt finance facility. As a result, the facility's interest rate will reduce from JIBAR + 490 bps pa to JIBAR + 340 bps pa

CASH FLOW

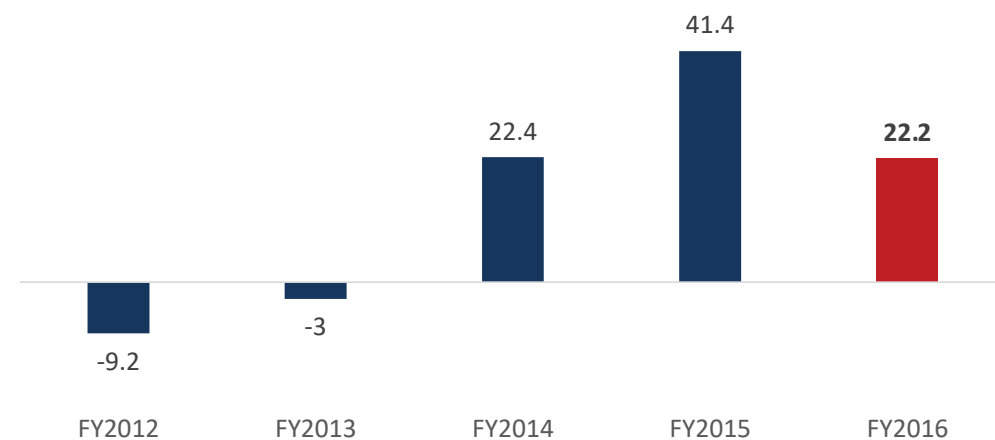
SUMMARISED CASH FLOW STATEMENT

US\$ millions	FY2016	FY2015
Cash flow from operating activities	22.2	41.4
Investing cash flow	(12.0)	(21.2)
PPE*	(12.3)	(24.6)
Other	0.3	3.4
Finance cash flow	(18.2)	(18.4)
Net increase/(decrease) in cash	(8.0)	1.8
Cash at the beginning of the period	24.2	19.6
FX adjustments	(0.4)	2.8
Cash at the end of the period	15.8	24.2
Capex/EBITDA	0.23	0.32
Operating margin	11.2%	
Free cash flow per share	US\$0.05 cent	
Price/free cash flow per share	24.5 x	

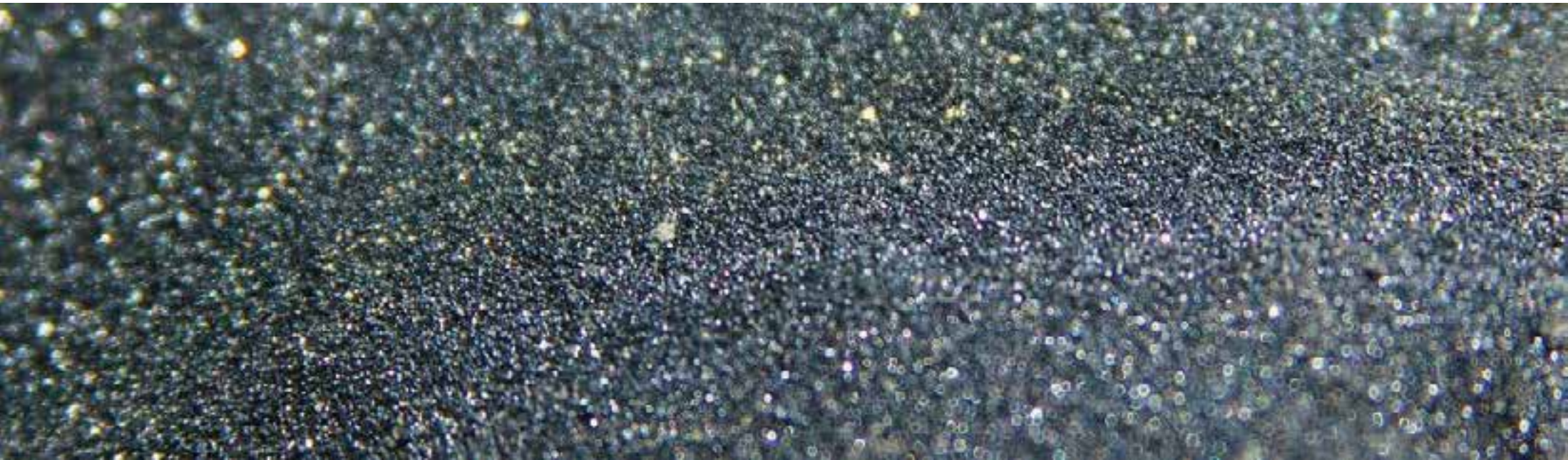
* Including deferred stripping of US\$2.4 million

OPERATIONALLY CASH GENERATIVE

US\$ millions



— **OUTLOOK**



OUTLOOK

FY2016

- Record financial and operational year for Tharisa, notwithstanding commodity price volatility
- Maiden distribution to shareholders proposed

FY2017 GUIDANCE

- **147.4 koz** of PGM concentrates
- **1.3 Mt** of chrome concentrates, including 300 kt of specialty products

COMMODITY MARKETS

- Platinum price has weakened while palladium price remains strong at above US\$700 per oz
- Chrome prices have significantly strengthened post the financial year end

LOOKING AHEAD

- Streamlined mining operations
- Continued improvement in PGM and chrome recoveries
- Organic growth and optimisation opportunities



STRATEGY

LEADING NATURAL RESOURCES GROUP

Globally significant diversified low cost operations

INNOVATION

Growth through innovative research and development projects

OPTIMISATION INITIATIVES

Maximise value extraction

LEVERAGING MARKETING AND LOGISTICS PLATFORM

Marketing, sales and logistics platform

Expansion into multi-commodities

Geographic diversity

CAPITAL DISCIPLINE

Dividend policy of 10% of NPAT

Capital allocation to low risk projects



— ANNEXURES



CORPORATE STRUCTURE

ONE YEAR INFORMATION (23 NOVEMBER 2016)

	JSE PRIMARY LISTING	LSE STANDARD LISTING MAIN BOARD
Short name	THA	THS
Price	ZAR24.00	GBp138.00
High – 52 week	ZAR28.75	GBp165.00
Low – 52 week	ZAR4.00	GBp39.00
Market capitalisation	ZAR6.1 billion	GBP354.6 million
One year return	380%	
PE ratio	104.9	
Average volume traded*	129 777	



* Average volume traded is measured over 30 days

TOP SHAREHOLDINGS (18 NOVEMBER 2016)

	%
Medway Developments	46.3
Rance Holdings	15.8
Fujian Wuhang Stainless Steel Product	7.6
Maaden Invest	4.3
China Exim Bank	3.4
Macquarie Capital Hong Kong	3.2
Friedshel 1525	2.6
Phillip Ventures Enterprise Fund	2.2
Altius Investment Holdings	2.2
Hongkong Heyi Mining Resource	2.0
Swiss Asia Financial Services (HK)	1.1
Quam Securities	1.1
BlackRock Investment Management	1.1
Canaccord Genuity	0.9
Old Mutual	0.6
Tharisa employees – share award plan	0.4

KEY DIFFERENTIATORS

DEVELOPMENT	INITIATED IN 2006, THROUGH THE FINANCIAL AND ENERGY CRISIS	IDENTIFICATION OF UNIQUE ORE BODY	INNOVATIVE DEVELOPMENT OF PROCESSING PLANTS
UNIQUE	MINING OF FIVE MG CHROMITITE LAYERS	CO-PRODUCTION OF PGM AND CHROME CONCENTRATES	MINE TO MARKET MODEL
LARGE SCALE MINING OPERATIONS	OPEN PIT OPERATIONS WITH 18 YEARS LOM	UNDERGROUND EXTENSION BY FURTHER 40 YEARS	MECHANISED OPEN PIT MINING
INNOVATIVE PROCESSING	INTEGRATED PRODUCTION AND DERISKED	INDEPENDENT PROCESSING PLANTS – OPERATIONAL FLEXIBILITY	LOWEST COST QUARTILE OF BOTH PGM AND CHROME CONCENTRATES
TRACK RECORD	EXTENSIVE INDUSTRY AND MANAGEMENT EXPERIENCE	SUCCESSFUL TRACK RECORD OF IDENTIFYING, DEVELOPING AND OPERATING MINES	OPTIMISATION IN PROGRESS AND R&D TO MAXIMISE VALUE

RESOURCE AND RESERVE STATEMENT

DECLARATION AT 30 SEPTEMBER 2016

MINERAL RESOURCE	Tonnes [Mt]	6PGE+ Au grade [g/t]	3PGE + Au grade [g/t]	Cr ₂ O ₃ grade [%]	Contained 3PGE + Au [Moz]	Contained Cr ₂ O ₃ [Mt]
Measured	72.6	1.78	1.32	23.7	3.1	17.2
Indicated	112.1	1.72	1.26	22.8	4.5	25.5
Inferred	693.0	1.54	1.13	19.9	25.2	137.6
Total	877.7	1.58	1.16	20.5	32.9	180.3

MINERAL RESERVE OPEN PIT	Tonnes [Mt]	5PGE+ Au grade [g/t]	3PGE + Au grade [g/t]	Cr ₂ O ₃ grade [%]	Contained 3PGE + Au [Moz]	Contained Cr ₂ O ₃ [Mt]
Proved	54.2	1.53	1.17	21.1	2.0	11.4
Probable	26.0	1.42	1.09	18.6	0.9	4.8
Total	80.2	1.49	1.14	20.3	2.9	16.3

MINERAL RESERVE UNDERGROUND	Tonnes [Mt]	5PGE+ Au grade [g/t]	3PGE + Au grade [g/t]	Cr ₂ O ₃ grade [%]	Contained 3PGE + Au [Moz]	Contained Cr ₂ O ₃ [Mt]
Probable	18.7	1.52	1.17	19.3	0.7	3.6
Total	18.7	1.52	1.17	19.3	0.7	3.6



CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 September 2016

Preparation of condensed consolidated financial statements

The condensed consolidated financial statements for the year ended 30 September 2016 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 office 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 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 consolidated Annual Financial Statements have been approved by the Board on 28 November 2016.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 September 2016

	Notes	2016 US\$'000	2015 US\$'000
Revenue	4	219 653	246 782
Cost of sales	4	(165 177)	(203 692)
Gross profit		54 476	43 090
Other income		438	42
Administrative expenses	5	(22 775)	(24 777)
Results from operating activities		32 139	18 355
Finance income		770	1 185
Finance costs		(11 815)	(11 855)
Changes in fair value of financial assets at fair value through profit or loss		503	(25)
Changes in fair value of financial liabilities at fair value through profit or loss		368	1 972
Net finance costs		(10 174)	(8 723)
Profit before tax		21 965	9 632
Tax	6	(6 172)	(3 617)
Profit for the year		15 793	6 015
Other comprehensive income			
<i>Items that may be classified subsequently to profit or loss:</i>			
Foreign currency translation differences for foreign operations, net of tax		4 212	(39 399)
Other comprehensive income, net of tax		4 212	(39 399)
Total comprehensive income for the year		20 005	(33 384)
Profit for the year attributable to:			
Owners of the company		13 809	4 623
Non-controlling interest		1 984	1 392
		15 793	6 015
Total comprehensive income for the year attributable to:			
Owners of the company		17 103	(24 721)
Non-controlling interest		2 902	(8 663)
		20 005	(33 384)
Earnings per share			
Basic and diluted earnings per share (US\$ cent)	7	5	2

The notes on pages 33 to 39 are an integral part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2016

	Notes	2016 US\$'000	2015 US\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	8	220 534	214 518
Goodwill		883	919
Long-term deposits	9	9 846	10 656
Other financial assets	10	2 585	1 636
Deferred tax assets	11	1 397	1 954
Total non-current assets		235 245	229 683
Current assets			
Inventories	12	15 767	8 951
Trade and other receivables		51 184	37 979
Other financial assets	10	1 176	55
Current taxation		134	144
Cash and cash equivalents	13	15 826	24 265
Total current assets		84 087	71 394
Total assets		319 332	301 077
EQUITY AND LIABILITIES			
Share capital	14	257	256
Share premium	14	456 181	452 512
Other reserve		47 245	47 245
Foreign currency translation reserve		(73 411)	(76 705)
Revenue reserve		(193 521)	(206 566)
Equity attributable to owners of the Company		236 751	216 742
Non-controlling interests	14	(34 892)	(37 794)
Total equity		201 859	178 948
Non-current liabilities			
Provisions		4 607	4 088
Borrowings	15	24 008	36 329
Deferred tax liabilities	11	5 275	13
Total non-current liabilities		33 890	40 430
Current liabilities			
Borrowings	15	38 408	33 692
Other financial liabilities		–	388
Current taxation		54	98
Trade and other payables		45 121	47 521
Total current liabilities		83 583	81 699
Total liabilities		117 473	122 129
Total equity and liabilities		319 332	301 077

The consolidated financial statements were authorised for issue by the Board of Directors on 28 November 2016.

.....
Phoevos Pouroulis
Director

.....
Michael Jones
Director

The notes on pages 33 to 39 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 September 2016

	Attributable to owners of the Company			Attributable to owners of the Company					
	Note	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 interest 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 year									
Profit for the year		–	–	–	–	4 623	4 623	1 392	6 015
<i>Other comprehensive income:</i>									
Foreign currency translation differences		–	–	–	(29 344)	–	(29 344)	(10 055)	(39 399)
Total comprehensive income for the year		–	–	–	(29 344)	4 623	(24 721)	(8 663)	(33 384)
Transactions with owners of the Company									
<i>Contributions by and distributions to owners:</i>									
Reclassification of non-controlling interest	14	–	–	–	–	3 079	3 079	(3 079)	–
Equity-settled share based payments	14	–	–	–	–	2 317	2 317	–	2 317
Issue of ordinary shares	14	1	149	–	–	11	161	–	161
Contributions by owners of the Company		1	149	–	–	5 407	5 557	(3 079)	2 478
Total transactions with owners of the Company		1	149	–	–	5 407	5 557	(3 079)	2 478
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
<i>Other comprehensive income:</i>									
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									
<i>Contributions by and distributions to owners:</i>									
Equity-settled share based payments	14	–	–	–	–	(1 045)	(1 045)	–	(1 045)
Issue of ordinary shares	14	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

The notes on pages 33 to 39 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 September 2016

	Notes	2016 US\$'000	2015 US\$'000
Cash flows from operating activities			
Profit for the year		15 793	6 015
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	8	10 167	10 256
Loss on disposal of property, plant and equipment	5	584	–
Impairment losses on property, plant and equipment		–	3
Impairment losses on goodwill		51	63
Impairment losses on inventory	12	15	217
Impairment losses on other financial assets		12	27
Changes in fair value of financial assets at fair value through profit or loss		(503)	25
Changes in fair value of financial liabilities at fair value through profit or loss		(368)	(1 972)
Interest income		(770)	(777)
Interest expense		10 287	11 754
Tax	6	6 172	3 617
Equity-settled share based payments		2 542	3 157
		43 982	32 385
<i>Changes in:</i>			
Inventories		(4 634)	5 811
Trade and other receivables		(12 657)	(5 464)
Trade and other payables		(4 100)	10 296
Provisions		71	(777)
Cash from operations		22 662	42 251
Income tax paid		(472)	(847)
Net cash flows from operating activities		22 190	41 404
Cash flows from investing activities			
Interest received		892	669
Additions to property, plant and equipment	8	(12 307)	(24 591)
Proceeds from disposal of property, plant and equipment		124	3
(Additions)/refunds of other financial assets		(700)	2 702
Net cash flows used in investing activities		(11 991)	(21 217)
Cash flows from financing activities			
Refund of long term deposits		1 369	2 367
Proceeds from bank credit and other facility borrowings		1 648	7 523
Net proceeds under obligations under new loan		2 310	146
Repayment of secured bank borrowings and loan to third party		(19 166)	(27 267)
Interest paid		(4 371)	(1 134)
Net cash flows used in financing activities		(18 210)	(18 365)
Net (decrease)/increase in cash and cash equivalents		(8 011)	1 822
Cash and cash equivalents at the beginning of the year		24 265	19 629
Effect of exchange rate fluctuations on cash held		(428)	2 814
Cash and cash equivalents at the end of the year	13	15 826	24 265

The notes on pages 33 to 39 are an integral part of these financial statements.

Notes to the condensed consolidated financial statements

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 2016 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

Statement of compliance

These condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), International Accounting Standards, IAS34 *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 as at and for the year ended 30 September 2015. 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 2016.

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 as at and for the year ended 30 September 2015.

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.

Notes to the condensed consolidated financial statements

(continued)

2. BASIS OF PREPARATION (continued)

New and revised International Financial Reporting Standards and Interpretations

As from 1 October 2015, the Group adopted all changes to IFRS, which are relevant to its operations. The 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 2015. The Board of Directors is currently evaluating the impact of these on the Group.

- 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).
- Amendments to IAS 12: *Recognition of Deferred Tax Assets for Unrealised Losses* (effective for annual periods beginning on or after 1 January 2017).
- Amendments to IAS 7: *Disclosure Initiatives* (effective for annual periods beginning on or after 1 January 2017).
- IFRS 9 *Financial Instruments* (effective for annual periods beginning on or after 1 January 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 2015.

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	Total US\$'000
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
2015			
Revenue	83 053	163 729	246 782
Cost of sales			
Cost of sales excluding selling costs	(63 674)	(80 834)	(144 508)
Selling costs	(193)	(58 991)	(59 184)
	(63 867)	(139 825)	(203 692)
Gross profit	19 186	23 904	43 090

The overhead 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. The allocated percentage for PGM concentrate and chrome concentrates accounted for this financial year is 50% for each segment which is consistent with the prior year allocation.

Geographical information

The following table sets out information about the geographical location of:

- the Group's revenue from external customers; and
- the Group's property, plant and equipment and goodwill ("specified non-current assets").

The geographical location analysis of revenue from external customers is based on the country of establishment of each customer. The geographical location of the specified non-current assets is based on the physical location of the asset in the case of property, plant and equipment and the location of the operation to which they are allocated in the case of goodwill.

Notes to the condensed consolidated financial statements

(continued)

4. OPERATING SEGMENTS (continued)

Geographical information (continued)

(i) Revenue from external customers

	2016 US\$'000	2015 US\$'000
China	37 392	65 432
South Africa	1 10 698	95 038
Singapore	13 670	7 927
Hong Kong	55 045	55 175
South Korea	1 523	10 673
Other countries	1 325	12 537
	219 653	246 782

Revenue represents the sales value of goods supplied to customers, net of value-added tax. The following table summarises sales to customers with whom transactions have individually exceeded 10% of the Group's revenues.

	2016		2015	
	Segment	US\$'000	Segment	US\$'000
Customer 1	PGM	81 514	PGM	82 856
Customer 2	Chrome	29 146	-	-
Customer 3	Chrome	28 094	-	-

(ii) Specified non-current assets

	2016 US\$'000	2015 US\$'000
South Africa	221 457	215 430
Cyprus	3	5
China	-	2
	221 460	215 437

5. ADMINISTRATIVE EXPENSES

	2016 US\$'000	2015 US\$'000
Directors and staff costs		
Non-executive directors	499	504
Executive directors	1 267	1 396
Key management	930	1 000
Employees: salaries	5 337	6 401
bonuses	619	454
pension fund and medical aid contributions	2 073	2 259
	10 725	12 014
Audit – external audit services	384	488
Consulting	1 737	2 207
Corporate and social investment	108	309
Depreciation	320	255
Discount facility and related fees	457	366
Equity-settled share based payment expense	2 542	3 157
Listing fees	942	-
Health and safety	236	167
Impairment losses	63	3
Insurance	781	856
Legal and professional	186	414
Loss on disposal of property, plant and equipment	584	-
Rent and utilities	697	867
Security	930	608
Telecommunications and IT related costs	645	581
Training	465	420
Travelling and accommodation	285	580
Sundry expenses	688	1 485
	22 775	24 777

6. TAX

	2016 US\$'000	2015 US\$'000
Corporate income tax for the year		
Cyprus	309	240
South Africa	128	143
Special contribution for defence in Cyprus	4	3
Deferred tax		
Originating and reversal of temporary differences	5 731	3 231
Tax charge	6 172	3 617

Notes to the condensed consolidated financial statements

(continued)

7. 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.

	2016	2015
Profit for the year attributable to ordinary shareholders (US\$'000)	13 809	4 623
Weighted average number of ordinary shares at 30 September ('000)	256 178	255 076
Basic and diluted earnings per share (US\$ cents)	5	2

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

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.

	2016	2015
Headline earnings for the year attributable to ordinary shareholders (US\$'000)	14 281	4 688
Weighted average number of ordinary shares at 30 September ('000)	256 178	255 076
Headline and diluted headline earnings per share (US\$ cents)	6	2

Reconciliation of profit to headline earnings

	30 September 2016		30 September 2015	
	Gross	Net	Gross	Net
Profit attributable to ordinary shareholders		13 809		4 623
Adjustments:				
Impairment losses on goodwill	51	51	63	63
Loss on disposal of property, plant and equipment	584	421	–	–
Impairment losses on property, plant and equipment	–	–	3	2
Headline earnings		14 281		4 688

	2016 US\$'000	2015 US\$'000
8. PROPERTY, PLANT AND EQUIPMENT		
Total cost	266 368	243 931
Total accumulated depreciation	(45 834)	(29 413)
Net book value	220 534	214 518
Reconciliation of net book value		
Opening net book value	214 518	253 356
Additions	12 307	24 591
Disposals	(708)	(7)
Depreciation	(10 167)	(10 256)
Exchange adjustment on translation	4 584	(53 166)
Closing net book value	220 534	214 518

Deferred stripping additions of US\$2.4 million (30 September 2015: US\$15.2 million) are included in mining assets and infrastructure.

During the year the Group acquired equipment under a finance lease. The leased equipment secures lease obligations. At 30 September 2016 the carrying amount of the leased equipment was equal to the cost as the equipment was not yet fully operational.

During the current year, the estimated economically recoverable proved and probable mineral reserve was reassessed which gave rise to a change in accounting estimate. The remaining reserve that management had previously assessed was 112.2 Mt and at 31 December 2015 was assessed to be 106.4 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\$0.3 million.

Capital commitments

At 30 September 2016, the Group's capital commitments for contracts to purchase property, plant and equipment amounted to US\$1.8 million (30 September 2015: US\$1.4 million).

Securities

At 30 September 2016, an amount of US\$200.8 million (30 September 2015: US\$196.4 million) of the carrying amount of the Group's tangible property, plant and equipment was pledged as security against secured bank borrowings.

Notes to the condensed consolidated financial statements

(continued)

		2016 US\$'000	2015 US\$'000
9. LONG-TERM DEPOSITS			
Long-term deposits		9 846	10 656

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.

	Fair value hierarchy	2016 US\$'000	2015 US\$'000
10. OTHER FINANCIAL ASSETS			
<i>Non-current assets:</i>			
Investments in cash funds and income funds	Level 2	2 585	1 632
Interest rate caps	Level 2	–	4
		2 585	1 636
<i>Current assets:</i>			
Investments at fair value through profit or loss	Level 1	42	55
Forward exchange contracts	Level 2	656	–
Discount facility	Level 2	478	–
		1 176	55

Forward exchange contracts

The Group entered into a number of forward exchange contracts to hedge certain aspects of the foreign exchange risk associated to the conversion of the US\$ to the ZAR. The net exposure of these contracts is US\$11.6 million with various expiries no later than on or before 30 December 2016.

	2016 US\$'000	2015 US\$'000
11. DEFERRED TAX		
Deferred tax assets	1 397	1 954
Deferred tax liabilities	(5 275)	(13)
Net deferred tax (liability)/asset	(3 878)	1 941

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

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.

	2016 US\$'000	2015 US\$'000
12. INVENTORIES		
Finished products	6 116	4 283
Ore stockpile	4 729	1 257
Work in progress	–	195
Consumables	4 937	3 306
	15 782	9 041
Impairment of consumables	(15)	(90)
Total carrying amount	15 767	8 951

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 equally allocated to the operating segments reported. There were no write downs to net realisable value during the year (30 September 2015: US\$0.1 million).

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

Notes to the condensed consolidated financial statements

(continued)

13. CASH AND CASH EQUIVALENTS

	2016 US\$'000	2015 US\$'000
Bank balances	15 490	24 005
Short-term bank deposits	336	260
	15 826	24 265

As at 30 September 2016 an amount of US\$1.6 million (30 September 2015: US\$1.6 million) was provided as security for certain credit facilities and bank guarantees of the Group. A credit facility available to the Group at 30 September 2015 was not extended during the year and secured cash of US\$2.5 million was consequently released.

	30 September 2016		30 September 2015	
	Number of shares '000	US\$'000	Number of shares '000	US\$'000
14. SHARE CAPITAL AND RESERVES				
Share capital				
Authorised – ordinary shares of US\$0.001 each				
As at 30 September	10 000 000	10 000	10 000 000	10 000
Authorised – convertible redeemable preference shares of US\$1 each				
As at 30 September	1 051	1	1 051	1
Issued and fully paid				
Ordinary shares				
Balance at the beginning of the year	255 892	256	254 781	255
Allotments during the year	1 090	1	1 111	1
Balance at the end of the year	256 982	257	255 892	256

Allotments during the year were in respect of the award of 1 089 685 (30 September 2015: 1 111 240) ordinary shares granted in terms of the Share Award Scheme.

14. SHARE CAPITAL AND RESERVES (continued)

Share premium

During the years ended 30 September 2016 and 30 September 2015, the increases in the share premium account related to the issue and allotment of ordinary shares granted in terms of the Share Award Schemes.

Non-controlling interests

During the year ended 30 September 2015, the Company reassessed its interpretation and application of IFRS 10: *Consolidated Financial Statements*. Consequently the treatment of intergroup funding transactions on a consolidated level and the impact of these transactions on the non-controlling interests were reconsidered. This resulted in a reclassification from non-controlling interest to the revenue reserves.

	2016 US\$'000	2015 US\$'000
15. BORROWINGS		
<i>Non-current</i>		
Secured bank borrowings	22 103	36 329
Finance leases	246	–
Deferred supplier	1 659	–
	24 008	36 329
<i>Current</i>		
Secured bank borrowings	14 443	14 346
Finance leases	677	–
Bank credit and other facilities	23 012	17 298
Guardrisk loan	169	164
Loan payable to related party	107	1 884
	38 408	33 692

Finance leases

During the year the Group acquired 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 South African prime rate plus 3% pa. The interest rate was fixed at the contract date. No arrangements have been entered into for contingent rent.

Notes to the condensed consolidated financial statements

(continued)

15. BORROWINGS (continued)

	2016 US\$'000	2015 US\$'000
Minimum lease payments due:		
Within one year	760	–
Two to five years	253	–
	1 013	–
Less future finance charges	(90)	–
Present value of minimum lease payments due	923	–
Present value of minimum lease payments due:		
Within one year	677	–
Two to five years	246	–
	923	–

Deferred supplier

The balance relates to a trade payable of which payment has been deferred. The amount payable is unsecured, bears interest at the South African prime rate and is repayable in 12-monthly installments commencing on 30 October 2017.

	2016 US\$'000	2015 US\$'000
16. FINANCIAL INSTRUMENTS		
Financial assets – carrying amount		
Loans and receivables	46 104	34 351
Long-term deposits	9 846	10 656
Cash and cash equivalents	15 826	24 265
Financial instruments at fair value through profit or loss	3 761	1 691
	75 537	70 963
Financial liabilities – carrying amount		
Borrowings	62 416	70 021
Trade payables	35 513	31 915
Discount facility	–	388
Income received in advance	3 102	8 348
Other payables	4 703	5 679
	105 734	116 351

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

	2016 US\$'000	2015 US\$'000
17. RELATED PARTY TRANSACTIONS		
Key management compensation		
Non-executive directors' remuneration	499	504
Executive directors' remuneration	1 267	1 396
Other key management remuneration	930	1 000
	2 696	2 900

18. CONTINGENT LIABILITIES

There is no litigation, current or pending, which is considered likely to have a material adverse effect on the Group.

19. EVENTS AFTER THE REPORTING PERIOD

On 14 November 2016, Tharisa Minerals Proprietary Limited achieved project completion in respect of the ZAR1 billion senior debt finance facility. As a result of project completion, the facility's interest rate will reduce from JIBAR plus 4.9% pa to JIBAR plus 3.4% pa. The project completion achievement does not have any impact on the consolidated financial position as at 30 September 2016.

Subject to the necessary shareholder and regulatory approvals, the Board of Directors has approved a distribution to shareholders of US\$ 1 cent per share.

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.

20. DIVIDENDS

No dividends have been declared during the year (30 September 2015: no dividends).

