tharisa
ANNUAL REPORT 2015

Scope and boundary

We are pleased to present this, Tharisa plc's second Annual Report since listing on the JSE. It presents our performance and details our core operations in South Africa and the Company's related operations in Cyprus as well as our governance, strategy, risks, opportunities and prospects. The report covers the 12 month period to 30 September 2015.

Our approach in this Annual Report has been to explain to investors and stakeholders the fundamentals of our operating context and business model, risks and strategic approach towards value creation to enable them to make a more informed assessment of Tharisa and its prospects, its impacts and the sustainable value it creates. The Annual Report presents a concise view of the Company, its progress and strategy, with readers directed to relevant sections on our website – www.tharisa.com – for additional and/or full disclosure. While written primarily to address the interests of providers of capital, this report also addresses matters considered important to a wide range of stakeholders.

Tharisa applies the principles of the King III code of governance to its decision making, strategy formulation and implementation and these principles have also been applied in compiling this report. We further adhere to the JSE Listings Requirements.

We accept that integrated reporting is a journey and in line with our commitment to the principles of integrated reporting, we have started to incorporate our broader social, environmental and economic performance as far as possible throughout this report. While we have been guided by the International Integrated Reporting Committee's Framework, it will only be fully applied to future reports.

In line with these frameworks, recommendations and what we consider to be best practice, this report contains a number of forward looking statements. Various factors, conditions and developments beyond the control of the Company and its management may cause the conditions predicted and implied in these forward looking statements to be materially different to those envisaged at the time of writing. Such variance between expectation and future realities may have a material impact on the Company's future performance and results.

The Board acknowledges its responsibility for ensuring the integrity of this Annual Report. The Audit Committee recommended the 2015 Annual Report to the Board for approval, which approval the Board consented to give, believing that the report addresses all material issues and impacts and gives a balanced and truthful representation of the Company's performance.

The condensed consolidated financial statements on pages 50 to 64 of this Annual Report and consolidated Annual Financial Statements on our website have been prepared in accordance with IFRS as issued by the International Accounting Standards Board, the Cyprus Companies Law and the JSE Listings Requirements.

A glossary of abbreviations, definitions and technical terms appears on pages 65 to 68.

tharisa

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Further reading online at www.tharisa.com

Introduction

Tharisa is an integrated resource group incorporating mining and the processing, beneficiation, marketing, sales and logistics of PGM and chrome concentrates.

Mission

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

Values

- **The safety and health of our people is a priority**
- **We take responsibility for the effect that our operations may have on the environment**
- **We are committed to the upliftment of our local communities**
- **We conduct ourselves with integrity and honesty**
- **We strive to achieve superior returns for our shareholders**
- **We originate new opportunities and will continue to challenge convention through innovation**

Strategic initiatives

- Implementation of **optimisation initiatives** to maximise value extraction
- Growth through **innovative** research and development
- **Growth** through accretive acquisition, development and operation of large scale and low cost projects that are in or close to production
- Leveraging off the **established platform** for expansion into multi-commodities with geographic diversity
- **Capital discipline** with a dividend policy of 10% on NPAT and capital allocation to low risk projects

Highlights

PGM PRODUCTION (6E)

↑ 50.9%

118.0 koz

(2014: 78.2 koz)

CHROME CONCENTRATE PRODUCTION

↑ 3.4%

1.122 Mt

(2014: 1.085 Mt)
Production of 112.8 kt of higher value chemical and foundry grade concentrates (2014: 148.2 kt)

REVENUE

↑ 2.5%

US$246.8m

(2014: US$240.7m)

OPERATING PROFIT

↑ 211.9%

US$18.4m

(2014: US$5.9m)

NET CASH GENERATED FROM OPERATIONS

↑ 84.8%

US$41.4m

(2014: US$22.4m)

EBITDA

↑ 75.8%

US$29.0m

(2014: US$16.5m)

HEADLINE EARNINGS PER SHARE

US$ 2 cents

(2014: US$ 20 cents loss)

PROFIT BEFORE TAX

US$9.6m

(2014: US$40.3m loss)

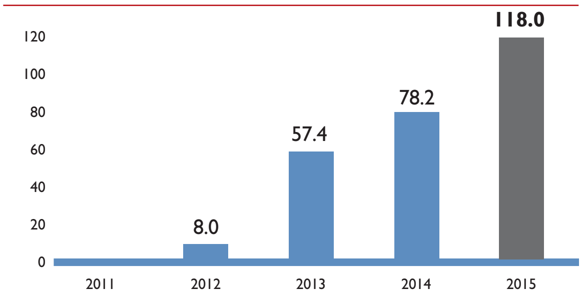
Group statistics

		2015	2014	2013	2012	2011
Reef mined	kt	**4 183.2**	3 908.5	3 305.6	1 433.1	678.3
Stripping ratio	m^3 waste: m^3 reef	**10.7**	10.6	8.4	10.9	6.1
Reef milled	kt	**4 400.4**	3 913.1	3 865.7	1 094.0	505.0
PGM rougher feed grade	g/t	**1.62**	1.63	1.41	1.27	–
PGM ounces produced	6E koz	**118.0**	78.2	57.4	8.0	–
PGM recovery	%	**65.8**	48.8	43.7	28.3	–
Average PGM contained metal basket price	US$/oz	**885**	1 103	1 132	1 104	–
Cr_2O_3 ROM grade	%	**18.3**	19.4	20.7	22.1	–
Chrome concentrates produced	kt	**1 122.2**	1 085.2	1 192.8	338.8	107.0
Metallurgical grade	kt	**1 009.4**	937.0	1 130.3	338.8	107.0
Foundry and chemical grade	kt	**112.8**	148.2	62.5	–	–
Chrome recovery	%	**58.0**	59.4	–	–	–
Chrome yield	%	**25.5**	27.7	30.9	31.0	21.2
42% metallurgical grade chrome concentrate contract price	US$/t CIF China	**158**	158	165	191	255
Average exchange rate	ZAR:US$	**12.0**	10.6	9.2	8.1	7.0
Group revenue	US$ million	**246.8**	240.7	215.5	53.9	28.1
Gross profit/(loss)	US$ million	**43.1**	32.6	25.9	(8.2)	(1.2)
Net cash flows from/(used in) operating activities	US$ million	**41.4**	22.4	(3.0)	(9.2)	(49.3)
Net profit/(loss) for the year	US$ million	**6.0**	(54.9)	(47.4)	(30.0)	(88.5)
EBITDA	US$ million	**29.0**	16.5	13.9	(28.3)	(33.6)
Headline earnings	US$ million	**4.7**	(48.9)	(46.8)	(26.0)	(84.8)
Headline earnings per share	US cents	**2**	(20)	(19)	(340)	(1 276)
Gross profit/(loss) margin	%	**17.5**	13.5	12.0	(15.3)	(4.4)
Capital expenditure*	US$ million	**24.6**	24.3	24.3	189.0	40.7
On-mine lost time injury frequency rate**		**0.06**	0.14	0.14	0.19	0.34
On-mine employees including contractors		**2 000**	1 938	1 688	1 562	1 032
Other Group employees		**59**	66	67	67	61

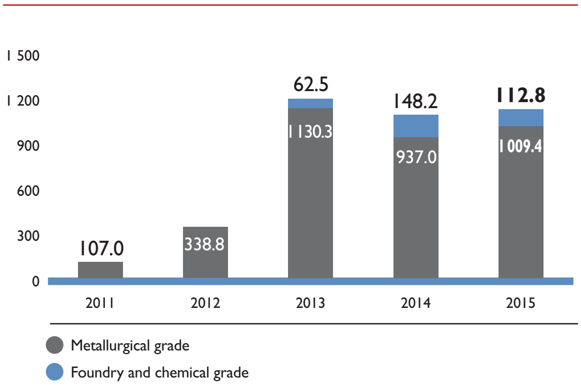
** Including deferred stripping of US$15.2 million (2014: US$11.5 million).*
*** Per 200 000 man hours worked.*

PGM recovery improved to 65.8% in FY2015 on the back of the commissioning and operation of the high energy flotation circuit in late 2014.

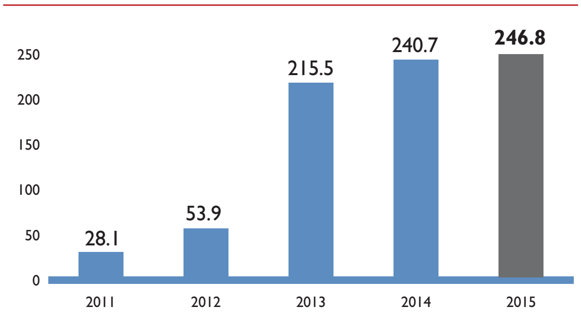
6E PGM ounces produced (koz)



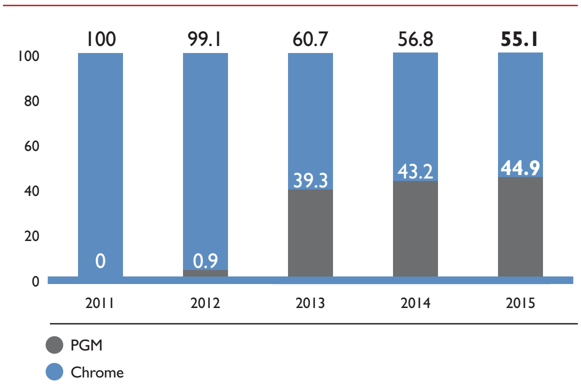
Chrome concentrate tonnes produced (kt)



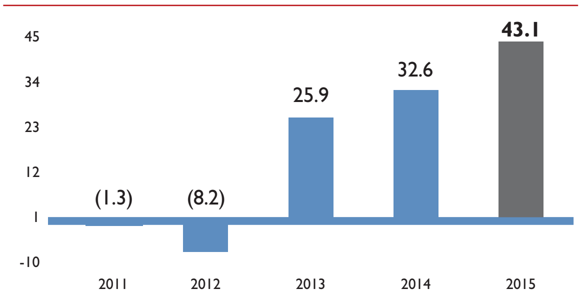
Group revenue (US$ million)



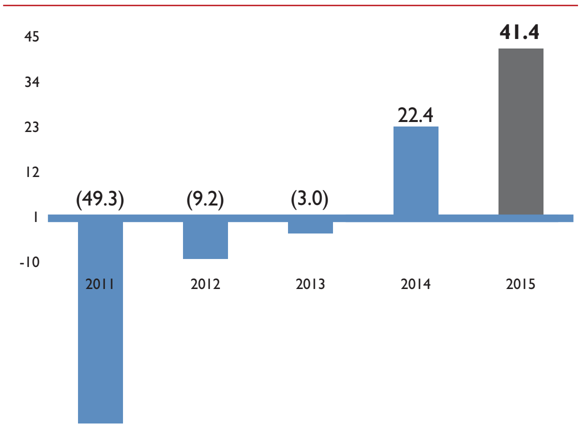
Revenue % per reporting segment on FCA basis (%)



Gross profit/(loss) (US$ million)



Net cash flows from operating activities (US$ million)



Major Group companies

INVESTMENT HOLDING COMPANY

Tharisa plc (Cyprus)

OPERATING/ PRODUCING COMPANIES

Arxo Metals (South Africa) – 100%*

Produces specialised higher margin chemical and foundry grade chrome concentrates. Also researches and develops opportunities for optimisation and beneficiation.

Tharisa Minerals (South Africa) – 74%*

Produces PGM concentrate as well as metallurgical and chemical grade chrome concentrates from a shallow open pit mine near Rustenburg, North West Province. The Genesis and Voyager Plants have a combined design capacity of 4.8 Mt of ROM ore per annum

26%

BEE SHAREHOLDERS

Thari Resources (South Africa) – 20%

Tharisa Community Trust (South Africa) – 6%

TRADING/ SERVICE PROVIDER COMPANIES

Arxo Resources (Cyprus) – 100%*

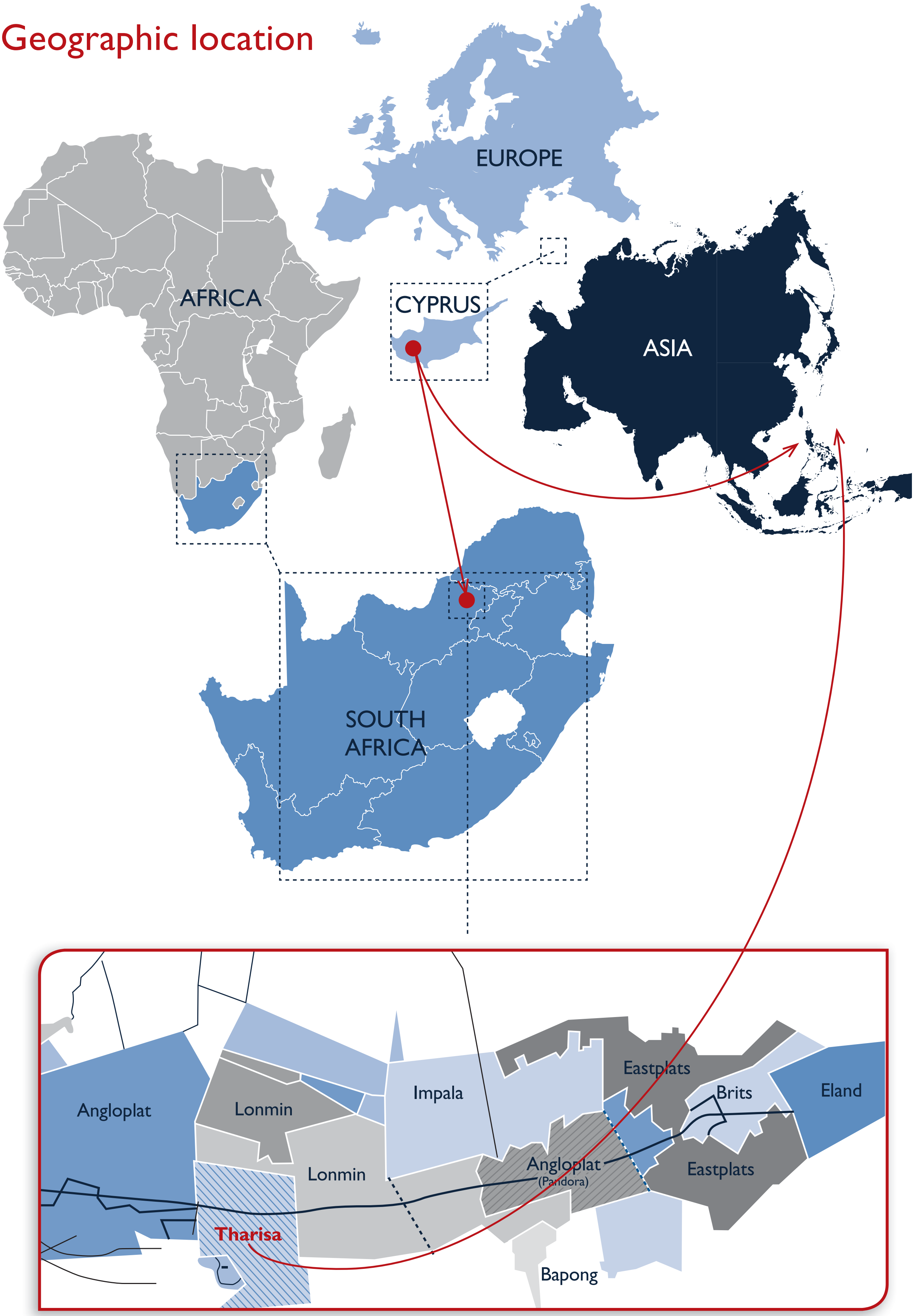
Markets and sells metallurgical grade chrome concentrate to customers primarily in Asia

Arxo Logistics (South Africa) – 100%*

Manages rail and road distribution of PGM concentrate and chrome concentrates produced by the Tharisa Mine to customers in South Africa, and to international customers via port facilities in Richards Bay and Durban for shipment

** The percentages reflect effective shareholding interest in the various subsidiaries.*

Geographic location



Our vision is to become a leading natural resources company, focusing on the PGM, chrome and steel raw material market.

Investment case

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

Our key differentiators are that we have a large scale open pit resource that allows us to extract all six MG Chromitite Layers. We have a 20-year life of mine and the ability to extend operations underground by a further 40 years. The Tharisa Mine is located in the South African Bushveld Complex, the world's largest platinum deposit, and taps into one of the world's largest single chrome resources at 828 Mt.

Mining, environmental and water use permits and licenses have been granted and are valid.

The mechanised nature of our open pit operation has ensured that we are in the lower cost quartile of PGM and chrome producers. While the open pit is planned with a strike length of 5 km and a highwall height of approximately 200 m, the average depth of platinum mines in South Africa is 750 m below surface.

Tharisa Minerals is already in production and de-risked with the major capital investment programme complete and has two independent processing plants with 400 ktpm combined capacity. The integrated process involves primary extraction of chrome followed by PGM flotation, then secondary chrome extraction from the tailings. Steady state production of 144 koz 6E PGMs and 1.5 Mt of chrome concentrates is planned to be achieved in 2016.

The two independent processing plants run the same process, which provides flexibility during electricity load shedding, such as recently experienced across South Africa. We are able to bypass crushing and/or grinding circuits in a phased manner to maintain production through the processing of crushed ore stockpiles. Thereafter we have the flexibility to halt the Genesis Plant, to accommodate Eskom's maximum load shedding requirement.

We are committed to health and safety and have a zero harm policy with a recorded LTIFR of 0.06 per 200 000 man hours worked. We have a skilled, disciplined workforce. Tharisa Minerals recently secured a three-year wage deal with the recognised employees union, NUM. Tharisa employs 2 000 on mine employees, including contractors, and a further 59 other group employees. As a responsible corporate citizen, we also have initiatives to support local communities through employment, education, skills development, health, community and business development.

The PGM concentrate is sold to Impala Refining Services under an off-take agreement that has been in place for four years since first concentrate production. Chrome concentrate is mainly shipped to China where it is consumed primarily by the stainless steel industry. We have a platform in China that markets our metallurgical chrome concentrates to end users, stainless steel producers and global commodity traders.

In 2015, our chrome exports represented 14.2% of South Africa's chrome exports to China and 10.1% of Chinese global chrome imports.

Further organic growth through innovation is currently being undertaken, enabling additional revenue through the improvement of recoveries from every tonne of ore. We continue to assess value-accretive opportunities.

Our vision is to become a leading natural resources company, focusing on the PGM, chrome and steel raw materials market.

COMPETITIVE STRENGTHS

Tharisa is uniquely positioned through its:

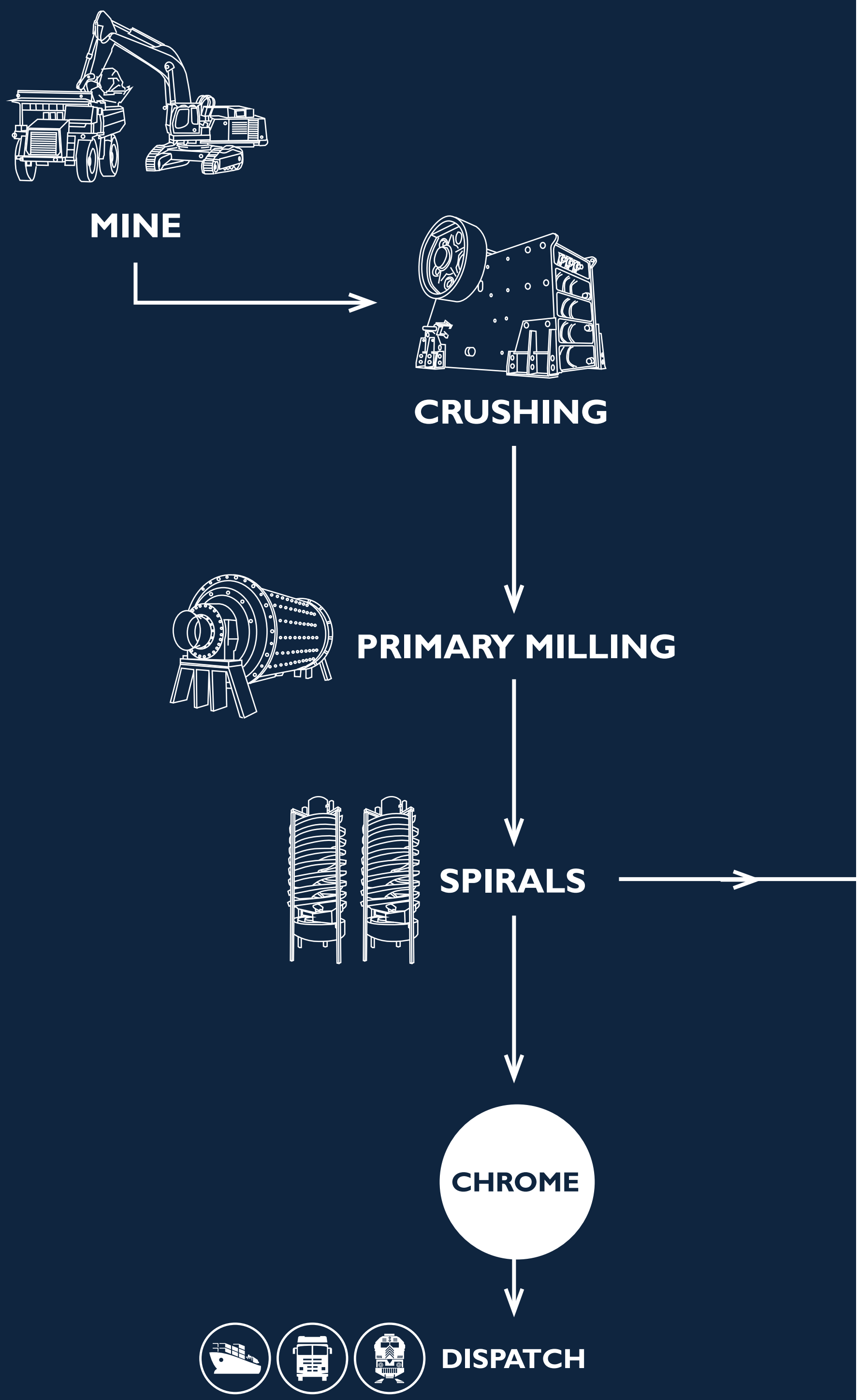
- commitment to health, safety and environmental management
- shallow and large scale PGM and chrome resource, one of the world's single largest chrome resources, enabling Tharisa to be a large scale producer for several decades
- mining of all six MG chromitite layers allowing for the co-production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

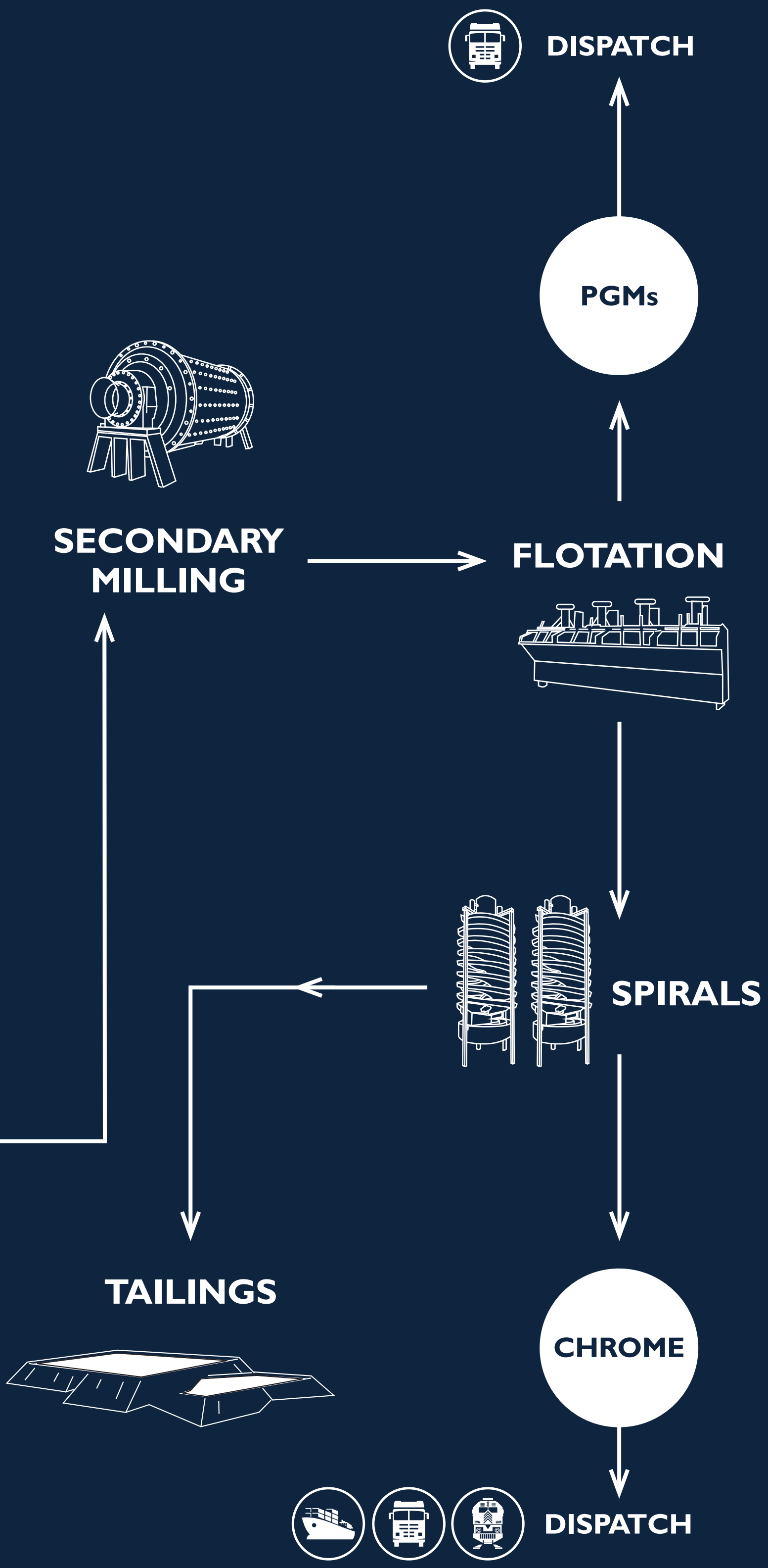
Our business model

Tharisa Minerals (74% owned) produces PGM concentrate and metallurgical grade and chemical grade chrome concentrates from a shallow open pit mine near Rustenburg, in the North West province of South Africa. The Genesis and Voyager Plants have a combined design capacity of 400 ktpm run of mine ore per month

SUMMARISED INPUTS

- Mineral Resource of 828 Mt
- Mineral Reserve of 119 Mt
- Skilled workforce and stable labour relations
- Fuel, electricity, water and land
- Specialised mining contractor and dedicated suppliers
- Management team with established track record
- Two independent processing plants with 400 ktpm capacity
- Integrated transportation and logistics chain





SUMMARISED OUTPUTS

- Chrome (metallurgical grade): 1.122 Mt
- Chrome (high-grade foundry and chemical chrome grades): 112.8 kt
- PGMs: 118.0 koz

SUMMARISED OUTCOMES

- Profit from operating activities: US$18.4m
- Net cash flows from operations: US$41.4m
- Unique co-producer of PGMs and chrome concentrates
- Supply both local and international markets
- Provide 14.2% of SA's chrome concentrate exports to China
- Employee salaries and wages amounting to US$11.5 million
- Investment in staff training and development amounting to US$0.42 million (net of MQA rebates)
- An LTIFR of 0.06 – one of the lowest in the industry

Leadership review

Our Company remains on course to achieve its key objectives. The maiden profit shows the strength of our business model in extremely difficult times.

Loucas Pouroulis
EXECUTIVE CHAIRMAN

Phoevos Pouroulis
CHIEF EXECUTIVE OFFICER

Michael Jones
CHIEF FINANCE OFFICER

LEADERSHIP REVIEW FINANCIAL YEAR END SEPTEMBER 2015

Executive Chairman Loucas Pouroulis, Chief Executive Officer Phoevos Pouroulis and Chief Finance Officer Michael Jones.

Dear Stakeholder

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

The year under review has presented the Group with many challenges and has been underpinned by a number of unprecedented structural changes within the mining industry. The global macroeconomic slowdown, driven mainly by the decline in Chinese demand and consumption of raw materials, has necessitated the re-assessment of strategies and expansion plans premised on unabated growth in consumption of commodities.

We have witnessed major mining houses that enjoy competitive cost positions expand production in the face of softer demand. This has squeezed out higher cost and marginal producers, particularly in the iron ore industry. We have also observed a significant increase in "business rescue" cases within the South African resource sector. Business rescues afford the practitioner an opportunity to salvage a business from liquidation. This is a similar process to the Chapter 11 Protection provisions contained within the United States Bankruptcy Code.

Structurally, however, Tharisa remains a low cost producer and it is with this business model that we foresee ourselves succeeding within this unpredictable and volatile commodity cycle. Our full year results demonstrate a business that is in the final stages of ramp up and yet to reach full maturity. The results from operating activities amounted to US$18.4 million, resulting in a net profit after tax of US$6.0 million. This is encouraging and bodes well for a business planning to reach steady state in the year ahead.

We must, however, note that post the financial year end a further decline within the prevailing PGM basket and metallurgical chrome concentrate prices occurred. This reinforces the need for the business to be even more cost effective.

REVENUE

US$246.8 million

(2014: US$240.7 million)

PROFIT

US$6.0 million

(2014: US$54.9 million loss)

GROSS PROFIT

US$43.1 million

(2014: US$32.6 million)

HEPS

US$ 2 cents

(2014: US$ 20 cents loss)

While the initiation of our cost cutting and financial optimisation programmes are evidenced in the financial year under review, further initiatives have been launched on the basis of the state of current commodity spot prices.

These initiatives include plans to reduce overhead and operational costs by at least 10%, improve efficiencies in mining by minimising dilution and providing stable feed into the processing plants, which would ultimately improve the recoveries of PGM and chrome concentrates.

We are pleased to post our first annual profit, with headline earnings per share US$ 2 cents.

SAFETY

Safety remains a priority at Tharisa and at 30 September 2015 our LTIFR was 0.06.

However, as previously advised, it is with regret that we report two fatalities. Mr Johan Raaths, an instrument technician, lost his life in November 2014 during routine maintenance on the Voyager Plant and on 28 September 2015, a mining contractor Mr Lambert Petersen lost his life in a trackless mobile vehicle accident. Our heartfelt condolences are extended to the family, friends and colleagues of both men.

We continue to strive for a zero harm work environment and in line with the DMR's drive to minimise all injuries within the South African mining industry, we have renewed our commitment to our stakeholders and taken the necessary steps in ensuring a safer workplace.

The financial year was disrupted operationally by a number of section 54 and section 55 instructions issued by the DMR in terms of the Mine Health and Safety Act which required the halting of the affected operations. These stoppages resulted in an estimated loss in production of 3.6 koz contained PGMs and 47.4 kt of chrome concentrates. We are working proactively with the inspectorate of the DMR to improve our safety compliance.

OPERATIONAL OVERVIEW

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

- 4.4 Mt milled being an increase of 12.5%
- 118.0 koz 6E contained PGM production, up by 50.9%
- 65.8% overall PGM recovery, an increase of 17.0%
- 1.1 Mt production of chrome concentrates, up by 3.4%.

A number of challenges were also encountered during the financial year including:

- Reef and inter-burden extraction being below mining plan
- Sub-optimal run of mine stockpile levels impacting feed grades
- Section 54 instructions resulting in a loss of production
- Lower than planned feed grades due to additional dilution within the pit
- Processing of a higher proportion of unscheduled weathered ore.

The total ore mined was 4.2 Mt, which is short of 600 kt our steady state plan. This, together with a lack of available in-pit reef led to a strategic review of the multi-contractor mining model. A decision was taken post the year end to revert to a single mining contractor and the transition has since been implemented according to plan.

Our objective of mining 4.8 Mt for FY2016 is still on track and the newly empowered mining team is performing in accordance with the mine schedule and in some instances exceeding the plan.

PROCESSING

The processing plants performed well when they were fed with consistent ROM feed in spite of lower than anticipated feed grades. Plant throughput equated to 91.7% of combined nameplate capacity of the processing plants. The overall performance across both plants saw a marked improvement in PGM recoveries of 65.8% demonstrating the benefits of the high energy flotation circuit and a slight decrease in chrome recoveries of 1.4% year on year. This decrease can mainly be attributable to lower and unstable chrome feed grades into the chrome plants as well as reprocessing of commissioning tails. The average chrome recovery across all plants was 58.0%, falling short of the planned 65%.

LABOUR RELATIONS

Labour relations at the Tharisa Mine remained stable and encouragingly, a three-year wage agreement was reached in the second quarter of the year. The agreement sees annual salary increases in line with this year's South African inflation rate. The interface between the NUM, which represents the majority of our employees, and the Company is constructive and co-operative. Our main contractor, MCC, has a nationwide recognition agreement, which is governed by a central bargaining council in the construction sector. There have been no material issues with the contractor's labour during the financial period under review.

UTILITIES

The relationship with our primary utility supplier Eskom has been cemented through clear and open communication lines. During requests for partial load shedding we accommodated the utility in an orderly manner without major disruption. Importantly, due to our two independent processing plants with their distinct and separate primary, secondary and tertiary crushing circuits, there was negligible impact on the overall plant throughput and production. Being an open pit operation, mining is not dependent on electricity and is reliant on diesel energy.

Water supply and sustainability in the face of one of the worst droughts South Africa has experienced presents a risk to the mining industry. While we have redundant sources of supply, a continued drought could result in water supply restrictions.

LOGISTICS

		2015	2014	Change
Average transport cost per tonne of chrome concentrate – CIF China basis	US$/t	**56**	65	(13.9%)

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

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

A total of 974.8 kt (2014: 902.5 kt) of chrome concentrates was shipped by Arxo Logistics in FY2015 mostly to main ports in China. Of this, 87% was shipped in bulk, representing a significant increase on the prior year's bulk shipments of 55%. Bulk shipments are preferred by customers due to ease of handling and reduced port charges, as well as reduced levels of administration. The increase in bulk shipments demonstrates the effectiveness of the newly upgraded rail siding at Marikana and the use of the Richards Bay Dry Bulk Terminal link, as well as the benefit of Arxo Logistics being certified as a clearing agent with SARS at Richards Bay.

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

SUSTAINABILITY

Sustainability is at the heart of our business. We are proud of our track record in minimising our environmental impact and, while we strive to improve further, we take similar pride in our mature and mutually beneficial relationships with the communities that border the Tharisa Mine.

We not only understand our obligations to create social capital as enshrined in the MPRDA, but strive to achieve these obligations in ways that create ongoing sustainable social capital.

COMMODITY MARKETS AND SALES

		2015	2014	Change
PGM basket price	US$/oz	**885**	1 103	(19.8%)
PGM basket price	ZAR/oz	**10 620**	11 692	(9.2%)
42% metallurgical grade chrome concentrate contract price	US$/tonne	**158**	158	–
42% metallurgical grade chrome concentrate contract price	ZAR/tonne	**1 896**	1 676	13.2%
Chemical grade chrome concentrate price	US$/tonne	**159**	203	(21.8%)
Exchange rate	ZAR:US$	**12.0**	10.6	

PGM concentrate production continues to be sold to Impala Refining Services in terms of the off-take agreement with a total of 119.9 koz of contained PGMs (on a 6E basis) being sold during the year. This is an increase of 49.1% over the previous year's sales of 80.4 koz of contained PGMs (on a 6E basis).

The PGM prill split by mass is as follows:-

	2015	2014
Platinum	**56.2%**	60.5%
Palladium	**16.2%**	15.8%
Rhodium	**9.3%**	8.1%
Gold	**0.2%**	0.1%
Ruthenium	**13.7%**	11.7%
Iridium	**4.4%**	3.8%

Tharisa Minerals is paid a variable percentage of the market value of the contained PGMs in terms of an agreed formula. The PGM basket commodity price has remained under pressure with the average PGM basket price per ounce achieved by Tharisa Minerals reducing by 19.8% to US$885/oz (2014: US$1 103/oz) for the financial year. The Company benefited from a weakening of the South African Rand (ZAR) relative to the US Dollar (US$), resulting in the Rand basket price reducing by a lesser amount of approximately 9.2%.

Chrome concentrate sales totalled 1.1 Mt, 136.1 kt of which was higher value-add chemical and foundry grade chrome concentrates with the bulk of the production being metallurgical grade chrome concentrate. Chrome concentrate sales were in line with those of the previous financial year at 1.2 Mt. The price for metallurgical grade chrome concentrate on a CIF main ports China basis remained flat in US$ terms at US$158/tonne.

China remains the main market for metallurgical chrome concentrate.

Chemical and foundry grade chrome concentrates produced by Arxo Metals continued to be sold to Rand York Minerals in terms of an off-take agreement.

The segmental contribution to revenue and gross profit from PGM and chrome concentrates is summarised below:

US$ m	2015 PGM	2015 Chrome	2015 Total	2014 PGM	2014 Chrome	2014 Total
Revenue	**83.1**	**163.7**	**246.8**	70.4	170.3	240.7
Cost of sales*	**63.9**	**139.8**	**203.7**	53.5	154.6	208.1
– Cost of sales excluding selling costs	**63.7**	**80.8**	**144.5**	53.4	91.9	145.3
– Selling costs	**0.2**	**59.0**	**59.2**	0.1	62.7	62.8
Gross profit contribution	**19.2**	**23.9**	**43.1**	16.9	15.7	32.6
Gross profit margin	**23.1%**	**14.6%**	**17.5%**	24.0%	9.2%	13.5%

** The allocation of the shared costs of producing PGMs and chrome concentrates was, in accordance with the accounting policy, revised to an equal sharing from the previous allocation of 40% to PGMs and 60% to chrome concentrates.*

FINANCIAL OVERVIEW

Group revenue totaled US$246.8 million, a marginal increase of 2.5% relative to the previous year. The increase in revenue resulted principally from the increase in PGM sales of 49.1% notwithstanding the significant reduction in the PGM basket price of 19.8% from an average of US$1 103 per ounce in FY2014 to an average of US$885 per ounce for FY2015.

The gross profit margin of 17.5% compared favourably to the comparable period's gross profit margin of 13.5%.

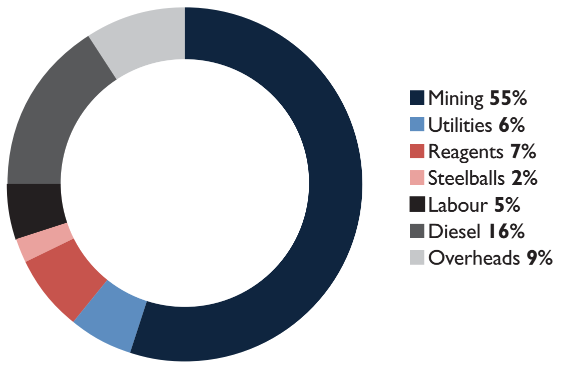
The PGM segment gross margin of 23.1% was marginally lower than the previous year, with the sales revenue being negatively impacted by reduced PGM commodity prices. The gross margin was, however, maintained through the increased PGM sales volumes which benefited from the improved PGM recoveries.

The chrome segment gross margin of 14.6% was significantly higher than the year before with contributing factors including competitively priced freight costs for bulk shipments of chrome concentrates.

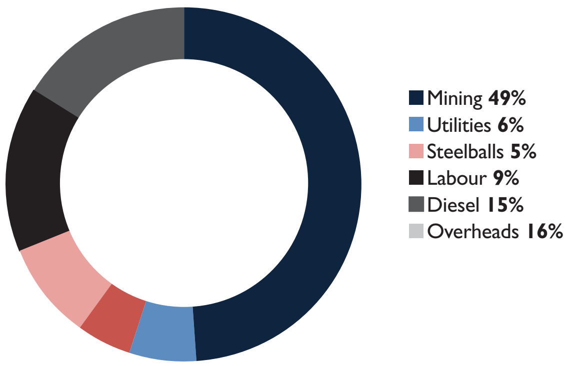
The change in the allocation of the shared costs impacted on the gross margins with the PGM segment being allocated a higher proportion of the shared costs (50% against 40% previously) and the chrome segment being allocated a lower proportion (50% against 60% previously).

The majority of the cost of sales (excluding the selling expenses) are ZAR based costs while the commodity sales are US$ denominated prices. With the weakening of the ZAR, the Group benefited from an overall reduction in the cost base in US$ terms.

PGM cash cost of sales



Chrome cash cost of sales



After accounting for administrative expenses of US$24.8 million (a reduction of 7.9% over the comparable period), the Group achieved an operating profit of US$18.4 million. The administrative expenses include the expense incurred from share based payments arising from the conditional awards and appreciation rights awarded to employees of the Group and consultants.

EBITDA amounted to US$29.0 million (2014: US$16.5 million).

Finance costs (totalling US$11.9 million) principally related to the senior debt facility secured by Tharisa Minerals for the construction of the Voyager Plant.

The Group recorded a substantial turn-around in profitability, generating a profit before tax of US$9.6 million compared to the comparable period loss of US$40.3 million. The amount of the previous year's loss (for comparative purposes) needs to be adjusted for the "changes in fair value of financial liabilities at fair value through profit and loss" arising from the conversion of the preference share liability into ordinary shares following the listing of the Company on the JSE in the amount of US$32.4 million. The *pro forma* comparable period loss was US$7.9 million.

The tax charge amounted to US$3.6 million, an effective charge of 37.6%, due primarily to disallowable charges being incurred within the Group's activities.

Foreign currency translation differences for foreign operations, arising where the Company has funded the underlying subsidiaries with US$ denominational funding and the reporting currency of the underlying subsidiary is not in US$, amounted to US$39.4 million against the prior year's charge of US$21.2 million. The average exchange rate for the main operating subsidiary (which reports in ZAR) weakened from ZAR10.60 in FY2014 to ZAR12.00 in the current reporting period.

Basic and diluted profit per share for the year amounted to US$ 2 cents (2014: loss of US$ 20 cents).

Additions to property, plant and equipment for the period amounted to US$24.6 million, including an amount of US$15.2 million relating to the capitalisation of deferred stripping.

During the financial year the Company issued 1 111 240 new ordinary shares ranking *pari passu* with the existing issued ordinary shares following the inaugural issue of shares that vested from the award of the first tranche of the conditional awards.

The Group entered into a number of pre-pay transactions for the forward delivery of chrome concentrates. As at 30 September 2015, outstanding deliveries for approximately 74.2 kt of metallurgical and chemical grade chrome concentrates were still due and the outstanding amount for the chrome pre-pay, which is included in trade and other payables, as at that date amounted to US$8.3 million.

The total debt amounted to US$75.6 million, resulting in a debt to total equity ratio of 42.3%. Offsetting the debt service reserve account amount of US$10.6 million, resulted in a *pro forma* debt to equity ratio of 36.3%. The long-term targeted debt to equity ratio is 15%.

The senior debt facility terms require the completion of certain economic and technical completion tests. The technical completion tests commenced on 1 August 2015. The long stop date for achieving the technical completion tests was 28 November 2015. Following the fatality at the Tharisa Mine on 28 September 2015 and the consequent and subsequent section 54 instructions from the DMR, the technical completion tests were halted. The lenders have agreed to extend the long stop date to 28 November 2016.

The Group generated net cash from operations of US$41.4 million (2014: US$22.4 million). Cash on hand amounted to US$24.3 million. In addition, the Group held US$10.6 million in a debt service reserve account.

It is Company policy to pay an annual dividend of 10% of consolidated net profit after tax. However, in the current commodity price cycle with both PGM prices and chrome concentrate prices reducing further post the financial year end, no dividends have been proposed or paid to ordinary shareholders during the year under review.

OUTLOOK

The general mining environment is under immense pressure and this coupled with domestic challenges, means the Tharisa business model is being stress tested. We are confident that we will succeed and emerge leaner, more efficient and ready to reap the rewards of an improving global commodity market. Our plans to reach steady state remain a priority and we have made positive strides towards achieving the recoveries required to attain those production levels.

Importantly, our financial performance proves that we can still remain profitable and continue our operations based upon the revised plan and trajectory as set out during the first half of the year. With the stringent management of our costs and improved efficiencies, we continue to be firmly positioned in the lowest cost quartile for both PGM and chrome concentrate producers.

We would like to thank our stakeholders for their support and continued belief in the Tharisa group of companies. You have our commitment that as the leadership of this Group, we will continue to seek out opportunities to improve our efficiencies and create additional value for all stakeholders.

Ioannis Drapaniotis who has served the Tharisa board as an independent non-executive director since 2008 will be retiring at the next AGM and will not be available for re-election. The Board thanks Ioannis for the invaluable contribution he has made to the Company since his appointment.

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

The chrome segment gross margin of 14.6% was significantly higher than the year before with contributing factors including competitively priced freight costs for bulk shipments of chrome concentrates.

Operational review

Value chain

Tharisa operates the entire mining value chain, leveraging the benefits of an in-house, cost efficient mine to customer supply chain solution.

Mining (Tharisa Minerals)

74%

- One of the world's largest single chrome resources
- Mining all six MG chromitite layers
- 20-years open pit and 40-year underground PGM and chrome concentrate LOM
- Mineral Resource:
  828 Mt grading:
  – 1.56 g/t 6E PGM
  – 20.38% Cr_2O_3
- Mineral Reserve:
  119 Mt grading:
  – 1.51 g/t 6E PGM
  – 19.4% Cr_2O_3

Processing (Tharisa Minerals)

74%

- Unique co-producer of PGM and chrome concentrates
- Manages and operates two independent processing plants with 400 ktpm capacity (Voyager Plant – 300 ktpm and Genesis Plant – 100 ktpm)

Benefication (Arxo Metals)

100%

- Downstream beneficiation
- Production of high-grade foundry and chemical chrome concentrates at the Challenger Plant, which is incorporated into the Genesis Plant
- Committed to research and development
- Research into the feasibility of producing chrome alloys with minimal or no electricity consumption is a long term objective

Marketing and sales (Arxo Resources)

100%

- Integrated marketing, sales and distribution of chrome concentrates
- Scale of operation allows for direct access to market and chrome concentrate price discovery
- 10.1% of China's chrome ore/ concentrate imports and 14.2% of South Africa's chrome ore/ concentrate exports to China in FY2015

Logistics (Arxo Logistics)

100%

- An integrated platform to mitigate logistics risks and provide a competitive advantage
- Road transportation of PGM concentrate to Impala Refining Services
- Road and rail transport capacity, warehousing and port facilities
- Transportation of chrome concentrates from the Tharisa Mine by rail and road
- Shipment of chrome concentrate production from the Richards Bay Dry Bulk Terminal and the Durban Port to customers, primarily in Asia
- A platform to service third-party customers

Our customers

100%

- PGM off-take agreement with Impala Refining Services
- Foundry and chemical grade chrome concentrate off-take agreement between Arxo Metals and Rand York Minerals
- 50 ktpm chrome concentrate agency agreement with the Noble Group
- Relationships with a broad range of stainless steel producers, ferrochrome producers and global commodity traders

THARISA MINERALS

Tharisa Minerals, which is 74% owned by the Company, is uniquely positioned as a co-producer of both PGM and chrome concentrates. Its core asset, the Tharisa Mine, is situated in South Africa's Bushveld Complex and has access to major international markets.

During the 2015 financial year, the Tharisa Mine accounted for 10.1% of the total Chinese chrome imports and 14.2% of South African chrome exports to China.

The mine, which is near the town of Rustenburg in the North West Province of South Africa, is a 20-year open pit operation with a projected 40-year underground life of mine extension. All six MG chromitite layers are mined, and processed at Tharisa Minerals' two independent processing plants, thereby reducing unit costs and positioning the Tharisa Mine in the lowest cost quartile of operating costs in South Africa for both PGM and chrome concentrates.

KEY STATISTICS		2015	2014
LTIFR	200 000 hours	**0.06**	0.14
Mineral Resource	Mt	**828**	832
Measured	Mt	**49**	53
Indicated	Mt	**129**	129
Inferred	Mt	**650**	650
Mineral Reserve	Mt	**119**	123
Proved	Mt	**32**	36
Probable	Mt	**87**	87
Reef mined	Mt	**4.2**	3.9
Stripping ratio	m^3 waste: m^3 reef	**10.7**	10.6
Rougher 6E PGM feed grade	g/t	**1.62**	1.63
PGM production	koz	**118.0**	78.2
PGM recovery	%	**65.8**	48.8
ROM chrome feed grade	%	**18.3**	19.4
Chrome recovery	%	**58.0**	59.4
Chrome yield	%	**25.5**	27.7
Chrome concentrate production	Mt	**1.122**	1.085

Safety

Our business is reliant on a healthy, skilled, trained and committed workforce. The safety of our people is of the utmost importance and takes precedence over all production objectives. We aim to mine, process, market and ship our products to customers without injury to anyone. The Safety, Health and Environment Committees at both holding company and operating subsidiary levels are responsible for overseeing compliance with health and safety legislation and policies. All mining and processing employees receive safety induction training on an annual basis and during the year, when required.

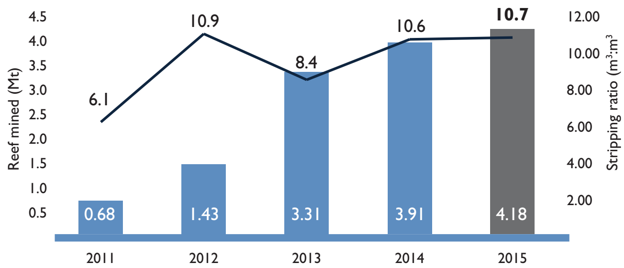
Our LTIFR for the year was 0.06 (2014: 0:14) per 200 000 hours worked. Regrettably, there were two fatalities at our operations this year. One of our employees, Johan Raaths, was fatally injured while undertaking routine maintenance at the Voyager Plant on 5 November 2014. Another fatality occurred at the tailings storage facility construction site involving trackless mobile machinery on 28 September 2015 when Lambert Petersen lost his life. Lambert was employed by MCC, our mining contractor. The Board, management and employees of the Tharisa Group extend their sincere condolences to the family, friends and colleagues of both men.

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

Mining operations

The Tharisa Mine, which has an 828 Mt resource and a reserve of 119 Mt, is unique in that it mines multiple mineralised layers with different but defined PGM and chrome contents.

Mining operations



All mining takes place by means of large scale mechanised open pit methods using specialist mining contractors. During the year some 4.2 Mt with an average PGM rougher feed grade of 1.62g/t. PGMs and 18.3% chrome was mined and 13.0 Mm^3 of waste rock was moved to waste rock dumps or was used in the construction of tailings storage facility walls.

The stripping ratio for FY2015 was 10.7, which is higher than the life of mine average of 8.5 (on a m^3 to m^3 basis). This included opening and developing the western section of the east pit.

Reef tonnes mined reached annualised steady state ROM production of 400 ktpm towards the end of the third quarter, which was an important milestone. A dip in reef mining performance in the last quarter of the year led to a strategic review of the multi-contractor mining model and a decision was taken to revert to a single mining contractor.

This decision was implemented post the year end and the mining transition progressed smoothly according to the change management plan.

Optimal waste and inter-burden removal was a key focus to ensure that there was sufficient reef for the blend required for processing.

The benefits of maintaining the correct multi-horizon reef mining profile include improved plant feed grades and recoveries. 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.

OPERATIONAL REVIEW	Unit	30 Sept 2015	30 Sept 2014	Change
Tonnes processed	kt	**4 400.4**	3 913.1	12.5%
On mine cash cost per tonne processed*	US$	**34.2**	33.5	2.1%
Consolidated cash cost per tonne processed (excluding transport)*	US$	**37.7**	38.2	(1.3%)

** Excluding capex.*

Processing

Tharisa Minerals manages and operates two independent processing plants: the 1.2 Mtpa Genesis Plant, and the larger 3.6 Mtpa Voyager Plant, both commissioned in 2012. Operating in parallel, these plants have a process flow with crushing and grinding, primary removal of chrome concentrate via spirals, followed by PGM flotation from chrome tails, and a secondary spiral-recovery of chrome from the PGM tails.

In 2015, the Group continued its ramp-up, working towards annualised steady state production of 144 koz of PGMs and 1.5 Mt of chrome concentrates, both of which are planned to be achieved in FY2016.

During the year Tharisa Minerals produced PGM concentrates containing 118 koz of 6E concentrate, 50.9% up on the prior year. Chrome concentrates of 1.122 Mt were produced during the year, which included 112.8 kt of high value foundry and chemical grade chrome products.

PGM recovery improved to 65.8% in FY2015 from 48.8% the prior year. The improvement was the result of the high-energy flotation circuit commissioned in September 2014.

Chrome production was impacted by the lower than planned feed grade with a less than optimal blend of reefs being processed while the mining sequence was revised. Chrome recovery dipped to 58.0%. Production of PGM and chrome concentrates is expected to increase as the mining operation provides consistent feed.

Customers

Tharisa Minerals' market advantage lies in its equal exposure to the PGM and chrome markets. While both commodities are caught up in the current global price slump, this exposure does give the Group a hedge against dramatic volatility in either market. Furthermore, the production of higher value chemical and foundry grade chrome concentrates provides a buffer against fluctuations in the metallurgical chrome price.

All PGM concentrate produced by Tharisa Minerals is currently sold to Impala Refining Services in terms of an off-take agreement. The PGM prill split reflects a high platinum content relative to the industry norm. This translates into higher than average basket price. PGM sales revenues received from Impala Refining Services are directly impacted by prevailing PGM prices.

The metallurgical grade chrome concentrate is sold through Arxo Resources.

Health

The key focus areas of Tharisa Minerals' occupational health programme include Tuberculosis (TB), HIV/AIDS, noise-induced hearing loss and dust exposure. TB and HIV/AIDS are being targeted aggressively, with a strong focus on prevention through education and awareness initiatives, as well as the provision of anti-retroviral treatment (ART).

The HIV prevalence among enrolled Tharisa Minerals employees is 8.8%, and among contractors it is 14.0%. This information is derived from voluntary testing during medical examinations. All employees, including contractors, are encouraged to undergo voluntary counselling and testing (VCT). In addition, Tharisa Minerals employees attend a wellness day and a World HIV/Aids Day awareness day every year at which VCT engagements are undertaken. Several interventions under the Wellness Programme are offered through which employees receive various forms of counselling and interventions by trained counsellors.

The Tharisa Mine also undertakes random testing for drugs and compulsory testing for alcohol in a bid to ensure the safety of all employees. Employees who test positive are subject to disciplinary procedures and offered counselling and/or rehabilitation.

Employees and labour relations

Tharisa Minerals recognises the right of all employees to exercise their rights to freedom of association and collective bargaining in line with the South African Constitution and the South African Labour Relations Act.

Some 55% of Tharisa Minerals' employees are members of the NUM. Tharisa Minerals has a recognition agreement with the NUM which guarantees the union full organisational rights. In July 2015, Tharisa concluded a market related three-year collective agreement with the NUM. The three-year agreement, effective from 1 July 2015 until 30 June 2018, is a positive development that reflects the maturity of the relationship between the Group and its employees and is testament to the labour stability enjoyed by Tharisa Minerals.

This year Tharisa Mine experienced no industrial action.

Approximately one third of employees at Tharisa Minerals and the mining contractors are sourced from local communities.

Training and education

Tharisa Minerals has commissioned a new, improved training centre that offers both statutory and developmental training interventions. Skills training is conducted by Mining Qualification Authority (MQA) accredited service providers. Tharisa Minerals also has an adult education and training (AET) centre, which is open to both members of the community and staff and employs two AET facilitators recruited from the local community.

This year Tharisa Minerals spent US$0.42 million on training and development (net of Mining Qualification Authority rebates). This spending included training in safe operating procedures.

Tharisa Minerals has a learnership programme for aspiring engineers and has a bursary scheme in place and we encourage employees to further their studies.

Black Economic Empowerment

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

As at 30 September 2015, Tharisa Minerals had a BEE compliance score of 96% and achieved an "excellent" rating in accordance with the Mining Charter.

Community relations

Tharisa Minerals places a high priority on community relations and initiatives. Tharisa Minerals, together with the local municipality, has established a task team comprising members of the company and the local community neighbouring the Tharisa Mine to address job creation, poverty alleviation, basic infrastructure, education and development needs. Members of this task team meet at least twice a month to discuss issues affecting the community.

Relations with the community have been cordial, with a majority of residents understanding Tharisa Minerals' commitment to local upliftment, as exemplified by a community trust's ownership of 6% of Tharisa Minerals. Most members of the community appreciate that this ownership will, in due course, translate into dividends which can be invested for social upliftment and local economic development.

Tharisa Minerals initiated a unique School Food Forest Programme, at the nearby Retief Primary School. This school caters for many of the children from the Mmaditlhokwa community which is adjacent to the Tharisa Mine.

This initiative earned Tharisa Minerals and the community recognition at the International Chromium Development Association (ICDA) in the form of an award for Environmental Achievement. The presentation was conducted at the Chrome Industry Environmental Achievements portion of the biannual ICDA Conference held in Delhi, India in November 2014.

Environmental responsibility

Tharisa Minerals employs a system of continuous monitoring of the impact of its operations on the environment and is committed to compliance with the Equator Principles. The Company has secured the necessary environmental approvals and authorisations required for the operation of the Tharisa Mine, including an Integrated Water Use Licence issued under the Water Act, an Environmental Impact Assessment (EIA) and an Environmental Management Programme as required in terms of the MPRDA.

Tharisa Minerals' compliance with its environmental management programme (EMP), which is approved by the DMR, is independently audited once a year and the auditors' report forwarded to management and the authorities.

ARXO METALS

Arxo Metals owns and operates the Challenger Plant, which produces high value foundry and chemical grade chrome concentrates, which are higher-grade chrome products with more stringent specifications, greater market value and higher margins than metallurgical grade concentrate. This has not only created additional value, but has increased the range of chrome products offered by the Group. The Challenger Plant is integrated into the Genesis Plant.

The foundry and chemical grade chrome concentrates are sold to Rand York Minerals in terms of an off-take agreement.

Arxo Metals undertakes extensive research, development and testing of various technologies to improve yields and recoveries and to create greater value PGM and chrome products to expand and optimise the Group's operations. Different energy efficient technologies are being tested with the objective of producing cost-effective PGM and chrome alloys.

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

ARXO RESOURCES

Arxo Resources, a wholly-owned subsidiary, has the exclusive right to sell metallurgical grade chrome concentrate, produced by Tharisa Minerals, to customers in China and other international markets.

Arxo Resources has established a strong presence among customers in China. These customers include stainless steel and ferrochrome producers and global commodity traders. The scale of operations allows for direct access to market and price discovery while opening up channels with customers and creating a platform from which to generate future revenue through the sales of third-party products.

ARXO LOGISTICS

Arxo Logistics, a wholly-owned subsidiary, manages the transportation of chrome concentrates produced by the Group to international customers via the Richards Bay Dry Bulk Terminal and the Durban Port, and to South African customers by road and rail.

Chrome concentrate is shipped to customers in China and other international markets through bulk and container vessels from Richards Bay and Durban.

Arxo Logistics has access to the necessary road and railway transport, warehousing and port facilities at Richards Bay Dry Bulk Terminal and the Durban Port to handle the full steady state production levels of chrome concentrate to be produced by the Tharisa Mine. Tharisa is a registered agent at the Richards Bay Dry Bulk Terminal.

Bulk shipments comprised 87% of chrome concentrate transported and are generally preferred by customers due to lower discharge port costs. Arxo Logistics intends retaining its flexibility in terms of delivery methods so as to mitigate risk. The company has also built a good relationship with South Africa's transport parastatal Transnet and negotiations over a planned public private partnership for an on-site railway siding at the Tharisa Mine are progressing well.

Arxo Logistics also manages the road transportation of PGM concentrate to Impala Refining Services.

The economies of scale and in-house expertise have ensured that our transport costs, a major cost of the Group, remain competitive.

Mineral Resource and Mineral Reserve Statement

1. INTRODUCTION

The Mineral Resource and Mineral Reserve of Tharisa Minerals has been prepared under the guidance of the Competent Person from Tharisa Minerals in accordance with the requirements of the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, 2009 (SAMREC Code). The estimates are as of 30 September 2015.

2. OVERVIEW

When Tharisa was listed on the JSE in April 2014, the Mineral Resource estimation for listing purposes was based on a CPR compiled by Coffey. This CPR is available on the Company website, www.tharisa.com.

No additional exploration activities have been undertaken during the period under review. The Mineral Resource and Mineral Reserve Statement has been revised to take into account mining depletion. The Mineral Resource and Mineral Reserve information in the tables on the following pages is based on information compiled by the Competent Persons (as defined by the SAMREC Code). In light of deteriorating commodity prices a full reserve modelling exercise has been commissioned.

3. DEFINITIONS

The definitions (as per the SAMREC Code), have been applied in estimation and categorisation of the Mineral Resources and Mineral Reserves disclosed within this document, and are set out in the Glossary of abbreviations, definitions and technical terms.

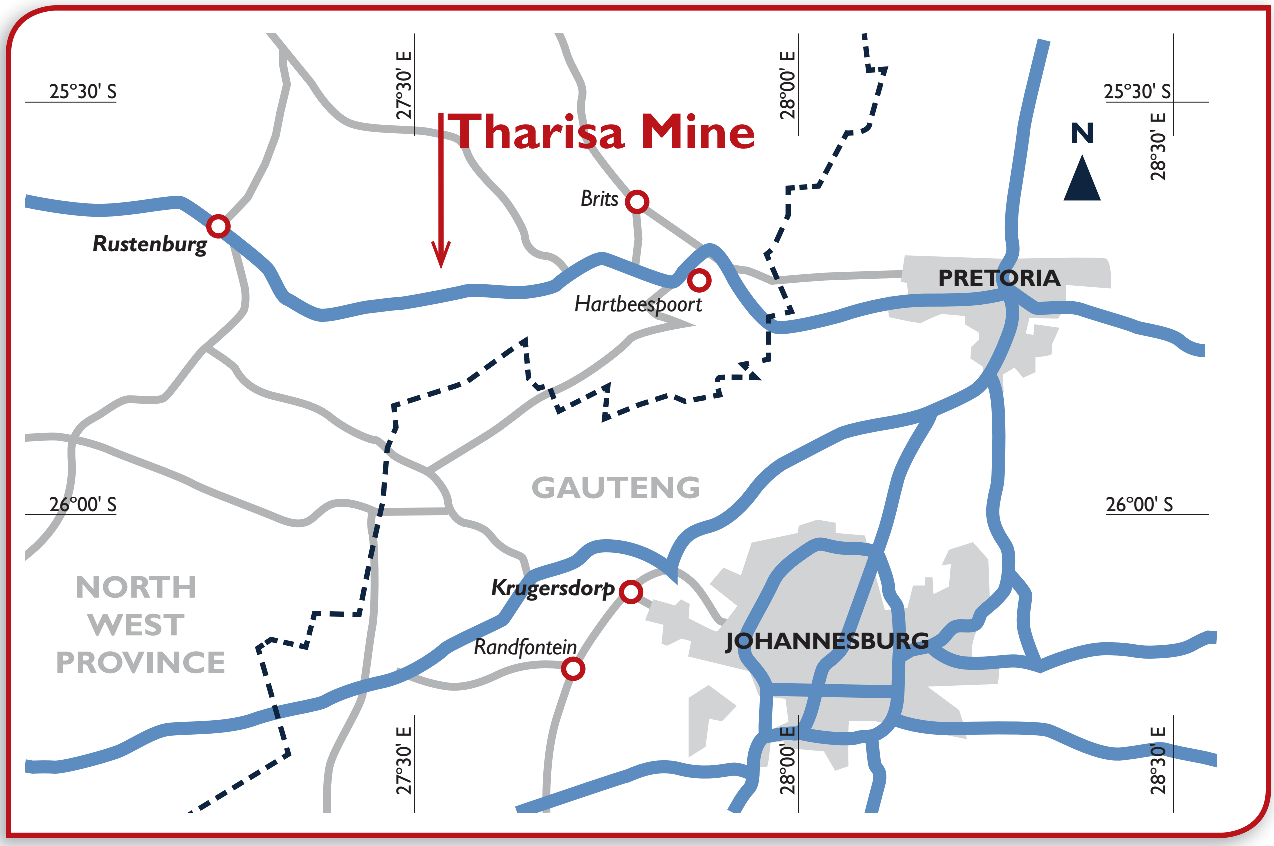
4. LOCATION

The Tharisa Mine is located 35 km east of Rustenburg and 120 km northwest of Johannesburg in the North West Province of South Africa.

5. STATEMENT BY COMPETENT PERSON

Percival David Malunga is the Tharisa Minerals Competent Person, registered with the South African Institute of Mining and Metallurgy (SAIMM, PO Box 61127, Marshalltown, 2107, South Africa), registration number 703620. He holds a BSc (Mining) Engineering Honours from the University of Zimbabwe and is also a member of the Engineering Council of South Africa (ECSA, Private Bag X691, Bruma, South Africa). He is a mining engineer with 24 years' experience, including the Mineral Resource management of open pit operations.

Figure 1



Source: Coffey Mining

In addition, the statement has been reviewed by Nkosinathi Emmanuel Mntungwa. He holds a BSc Honours in Geology and a Master's in Business Administration and is a member in good standing of the South African Council for Natural Scientific Professions (SACNASP, Private Bag X450, Silverton, 0127, South Africa), registration number 400167/05. He has 21 years' mining experience, including 17 years' experience in open pit operations and 10 years' experience in the Bushveld Complex on Mineral Resource management.

Both David Malunga and Nkosinathi Mntungwa are based at the Tharisa Mine, Portion 84, Farm 342 JQ, Marikana, 0284.

The Company has written confirmation from David Malunga and Nkosinathi Mntungwa that the information disclosed is in compliance with the SAMREC Code and that they have consented to the inclusion of this information in the form and context in which it appears.

6. MINING RIGHTS SUMMARY

Tharisa Minerals holds a Mining Right, granted by the DMR (then the DME) in terms of the MPRDA on 19 September 2008, for a period of 30 years, to various portions of the property 342 JQ and the whole of the property Rooikoppies 297 JQ. On 13 August 2009, the Mining Right was registered in the Mining and Petroleum Titles Registration Office, under Reference No 49/2009(MR).

On 7 March 2008, a Mining Right in respect of chrome was granted over Portions 96 and 183 of the property 342 JQ to South African Producers and Beneficiators of Chrome Ore (Pty) Ltd and registered on 27 July 2009. These rights were purchased by Tharisa Minerals on 18 March 2008. In July 2011, an application was granted in terms of section 102 of the MPRDA, to amend the existing Mining Right by the addition of Portions 96, 183 and 286 of the property 342 JQ to the Mining Right 49/2009(MR).

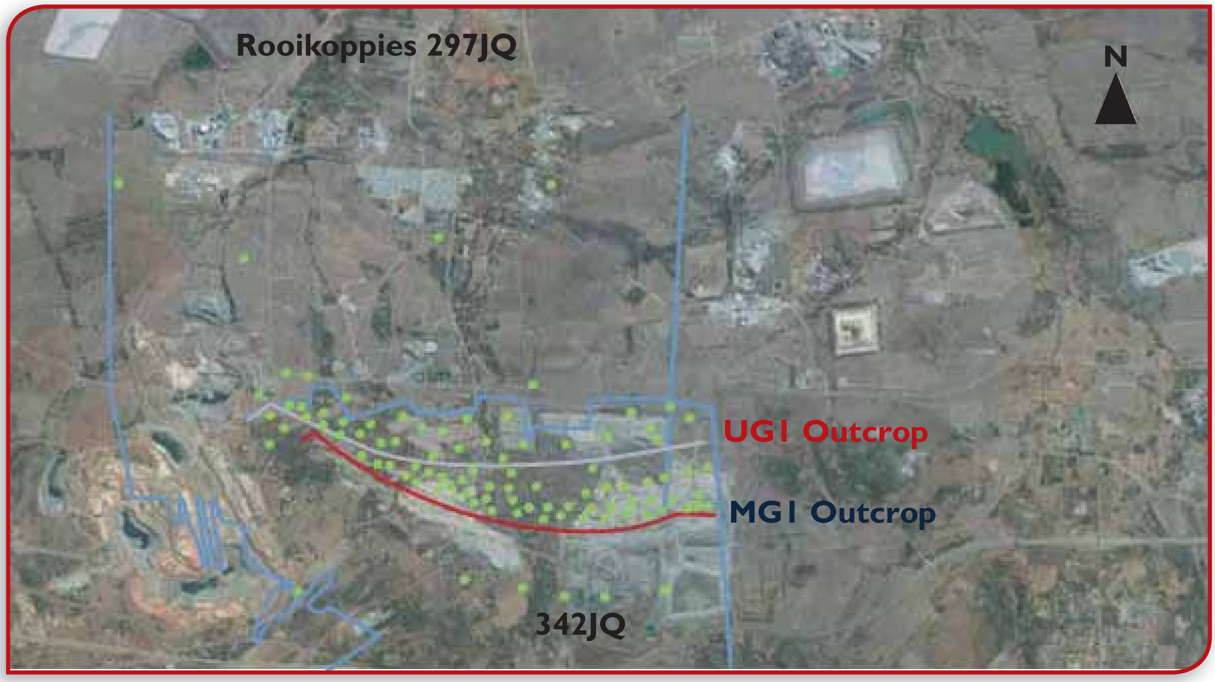
7. MINERAL RESOURCE

Geology and mineralisation

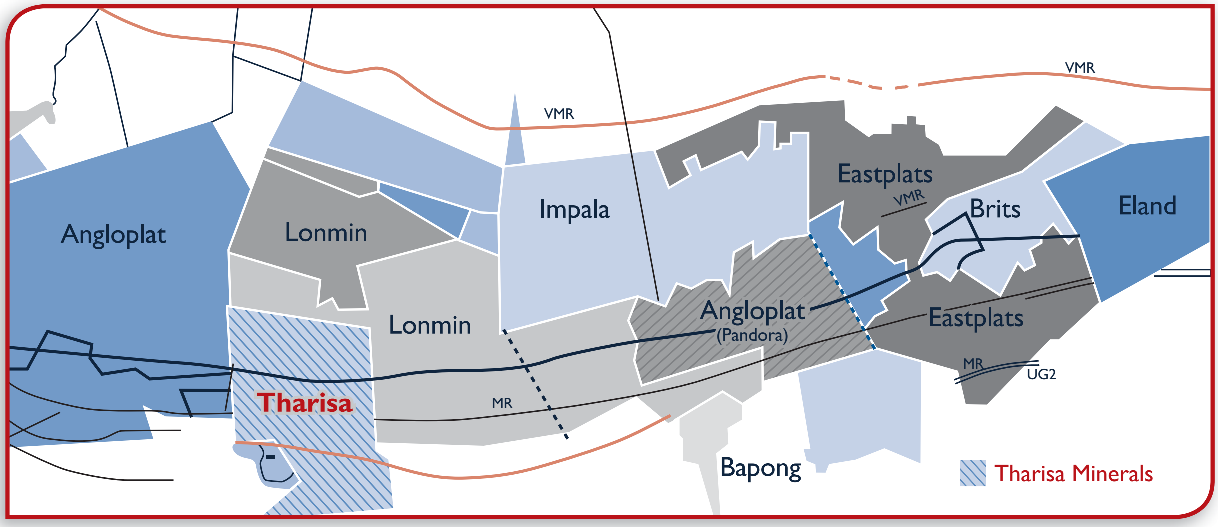
The Tharisa Mine is situated on the south-western limb of the Bushveld Complex and is underlain by the Middle Group (MG) and Upper Group (UG) Chromitite Layers.

The MG Chromitite Layers outcrop on the property striking roughly east to west and dipping at 9° to 15° to the north. Towards the western extent of the outcrop, the dip is steeper, with a gentle change in strike to NW-SE. The stratigraphy typically narrows to the west and the dip steepens. The dip typically shallows out at depth across the extent of the mine area.

The MG Chromitite Layer package consists of six groups of chromitite layers, being the MG0 Chromitite Layer, MG1 Chromitite Layer, the MG2 Chromitite Layer (subdivided into C, B and A chromitite layers), the MG3 Chromitite Layer and the MG4 Chromitite Layer (subdivided into 4(0), 4 and 4A chromitite layers)). The layers between the chromitite layers frequently include stringers or



Source: Google image of the Tharisa Mine plan showing the borehole locations (collar positions in green) and outcrop positions of UG1 and MG1 Chromitite Layers.



disseminations of chromite. The MG Chromitite Layers at the Tharisa Mine are a typical stack of tabular deposits.

The structural interpretation of the Tharisa Mine was previously based on the aeromagnetic data and the drilling data. The only significant fault is a steeply dipping NW-SE trending normal fault with a downthrow of less than 30 m to the east. This fault occurs only on the far north-eastern corner of the property and will have little effect on mining of the MG Chromitite Layers on the mine. A NE-SW sub-vertical dyke of some 10 m thickness was interpreted on the aeromagnetic survey. The dyke is not expected to have a major impact on mining. The only other major feature of interest is the Spruitfontein upfold or pothole which is located on the properties immediately west of the mine. It affects the UG2 Chromitite Layer as well as the rest of the Critical Zone below. No new, major structural features have been intersected in the current mining operation.

The Mineral Resource estimate was completed over the Mining Right of Tharisa Minerals to a depth of 750 m for the MG Chromitite Layers and UG1 Chromitite Layers.

8. MINERAL RESOURCE DECLARATION

The MG Chromitite Layer Mineral Resource estimate for September 2015 has been depleted from September 2014 declaration using survey production data.

In-pit drilling continues for the purposes of mining operations. No additional resource drilling has been completed during this financial year, however, additional in-pit drilling is expected in the future.

Tharisa Minerals Resource at 30 September 2015 is reported inclusive of Mineral Reserve.

2015	Measured	Indicated	Inferred	Total
Tonnes Mt	48.59	129.53	650.05	**828.17**
6E + Au grade (g/t)	1.53	1.68	1.54	**1.56**
4E grade (g/t)	1.14	1.24	1.13	**1.15**
Cr_2O_3 grade (%)	21.39	22.24	19.93	**20.38**
Contained 4E (Moz)	1.78	5.16	23.62	**30.56**
Contained 6E (Moz)	2.39	7.0	32.19	**41.58**
Contained Cr_2O_3 (Mt)	10.39	28.81	129.55	**168.75**

2014	Measured	Indicated	Inferred	Total
Tonnes Mt	52.77	129.53	650.05	**832.35**
6E + Au grade (g/t)	1.53	1.68	1.54	**1.56**
4E grade (g/t)	1.14	1.24	1.13	**1.15**
Cr_2O_3 grade (%)	21.39	22.24	19.93	**20.38**
Contained 4E (Moz)	1.93	5.16	23.62	**30.71**
Contained 6E (Moz)	2.60	7.00	32.19	**41.78**
Contained Cr_2O_3 (Mt)	11.29	28.81	129.55	**169.65**

9. MINERAL RESERVE DECLARATION

The MG Chromitite Layer Mineral Resource estimate for September 2015 has been depleted from September 2014 declaration using survey production data.

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

The Mineral Reserve decreased by 0.5% as a result of depletion during the year.

No Inferred Mineral Resource was included or considered for the open pit operation mine plan on which the open pit portion of the Mineral Reserve estimate was based. Inferred Mineral Resource was included in the underground section of the mine plan. If the Inferred Mineral Resource is excluded from the underground mine plan, the underground project may not be feasible. The Mineral Reserve declared was derived from the Indicated Mineral Resource portion included in the underground LOM plan. The underground section is planned after the depletion of the open pit section.

10. MATERIAL RISKS

A significant change in the applied 2013 CPR commodity prices exists compared to current market prices. Reduced prices relative to the PGM long-term price were used, while the chrome long-term price was applied without reduction to select the economic pit limit. Sustained low commodity prices over the long-term materially influences the overall value of the operation and has a material impact on the size of the open pit portion of the Mineral Reserve.

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

11. REPORTING CODES AND COMPLIANCE

The reporting of Mineral Resource and Mineral Reserve for Tharisa Minerals is declared in accordance with the principles and guidelines of the SAMREC Code.

All the regulatory permits have been obtained or applied for. The directors are unaware of any legal proceedings or impediments to the continued operation of the Tharisa Mine.

12. ENVIRONMENTAL MANAGEMENT AND FUNDING

Tharisa Minerals has obtained all environmental approvals and authorisations required for the operation of the Tharisa Mine, including an Integrated Water Use Licence issued under the Water Act, an Environmental Impact Assessment (EIA) and an Environmental Management Programme as required in terms of the MPRDA. Moreover, Tharisa Minerals employs a system of continuous monitoring of the impact of its operations on the environment and is committed to compliance with the Equator Principles. The Safety Health and Environment Committees on holding company and operating subsidiary company level are tasked with overseeing environmental matters.

The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. Tharisa Minerals has a legal obligation to rehabilitate the site where the Tharisa Mine is located, once the mining operations cease, which would be when the current mine life of the project expires. The estimated long-term environmental provision, comprising rehabilitation and mine closure is based on the Group's environmental policy, taking into account the current technological, environmental and regulatory requirements. The provision for future rehabilitation at 30 September 2015 amounts to US$4.088 million (2014: US$4.452 million). An insurance company has provided a guarantee to the DMR to satisfy the requirements of the MPRDA with respect to environmental rehabilitation and the Group has pledged as collateral its investments in interest-bearing debt instruments to the insurance company to support this guarantee.

13. REGULATORY AND LEGAL

All regulatory permits have been obtained or applied for. Details of the Mining Rights are set out on in the Mining Rights summary on page 23.

The Board is not aware of any legal proceedings or other material conditions that may impede the continued operation of the Tharisa Mine.

OPEN PIT 2015	Proved	Probable	Total
Tonnes Mt	31.8	68.4	**100.2**
5E + Au grade (g/t)	1.54	1.50	**1.51**
4E grade (g/t)	1.20	1.16	**1.18**
Cr_2O_3 grade (%)	19.5	19.3	**19.4**
Contained 4E (Moz)	1.23	2.56	**3.79**
Contained Cr_2O_3 (Mt)	6.2	13.2	**19.4**

OPEN PIT 2014	Proved	Probable	Total
Tonnes Mt	36.0	68.4	**104.4**
5E + Au grade (g/t)	1.54	1.50	**1.51**
4E grade (g/t)	1.20	1.16	**1.17**
Cr_2O_3 grade (%)	19.5	19.3	**19.4**
Contained 4E (Moz)	1.39	2.56	**3.95**
Contained Cr_2O_3 (Mt)	7.0	13.2	**20.2**

UNDERGROUND 2015	Proved	Probable	Total
Tonnes Mt	–	18.7	**18.7**
5E + Au grade (g/t)	–	1.52	**1.52**
4E grade (g/t)	–	1.17	**1.17**
Cr_2O_3 grade (%)	–	19.3	**19.3**
Contained 4E (Moz)	–	0.7	**0.7**
Contained Cr_2O_3 (Mt)	–	3.6	**3.6**

UNDERGROUND 2014	Proved	Probable	Total
Tonnes Mt	–	18.7	**18.7**
5E + Au grade (g/t)	–	1.52	**1.52**
4E grade (g/t)	–	1.17	**1.17**
Cr_2O_3 grade (%)	–	19.3	**19.3**
Contained 4E (Moz)	–	0.7	**0.7**
Contained Cr_2O_3 (Mt)	–	3.6	**3.6**

TOTAL 2015	Proved	Probable	Total
Tonnes Mt	31.8	87.1	**118.9**
5E + Au grade (g/t)	1.54	1.50	**1.51**
4E grade (g/t)	1.20	1.17	**1.18**
Cr_2O_3 grade (%)	19.5	19.3	**19.4**
Contained 4E (Moz)	1.23	3.26	**4.49**
Contained Cr_2O_3 (Mt)	6.2	16.8	**23.0**

TOTAL 2014	Proved	Probable	Total
Tonnes Mt	36.0	87.0	**123.0**
5E + Au grade (g/t)	1.54	1.50	**1.51**
4E grade (g/t)	1.20	1.17	**1.18**
Cr_2O_3 grade (%)	19.5	19.3	**19.4**
Contained 4E (Moz)	1.39	3.26	**4.65**
Contained Cr_2O_3 (Mt)	7.0	16.8	**23.8**

Relationship between exploration results, Mineral Resource and Mineral Reserve showing Tharisa Minerals' Resource and Mineral Reserve as at 30 September 2015.

Increasing level of geoscientific knowledge and confidence

Exploration results

Mineral Resource
30.56 Moz 4E
168.75 Mt contained Cr_2O_3

Mineral Reserve
4.49 Moz 4E
23.0 Mt contained Cr_2O_3

Reported as *in situ* mineralisation estimates

Reported as mineable production estimates

Inferred
23.62 Moz 4E, 129.55 Mt contained Cr_2O_3

Indicated
5.16 Moz 4E, 28.81 Mt contained Cr_2O_3

Measured
1.78 Moz 4E, 10.39 Mt contained Cr_2O_3

Probable
3.26 Moz 4E, 16.8 Mt contained Cr_2O_3

Proved
1.23 Moz 4E, 6.2 Mt contained Cr_2O_3

Consideration of mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors (the modifying factors)

Material risks

Material issues to Tharisa are those that substantially affect the Group's ability to create and sustain value in the short, medium and long term.

The issues that are material to Tharisa and its stakeholders are determined by an analysis of our risks, the external environment and our engagement with stakeholders.

Material issues determine how we devise and implement our strategy since each issue has the potential to impact our ability to achieve our strategic objectives. Each issue also carries with it challenges and opportunities.

Our most material risks are considered and reported on an ongoing basis, by those members of the management team responsible for risk management. The Tharisa Risk Committee comprises all members of the Board.

Risks are identified in the Group Risk Register and are considered by management on a quarterly basis and reported to the Board at least twice a year.

Here we present the material issues and risks that the executive team has identified in consultation with a wide range of stakeholders and with reference to our business model and strategy.

Risks	Impact	Mitigation
Safety		
Mining and processing safely is a key performance indicator for all executives and managers at Tharisa. Keeping our people safe is of paramount importance to our operations, stakeholders and to management.	• Unsafe work environment leading to potential injury and/or fatality in the work environment • Disruptions to operations pending root cause investigations • Potential section 54 and section 55 instructions from the DMR	• Strive for zero harm working environment • Comprehensive training of standard operating procedures • Implement culture of risk intolerance • Transparent and open relationships with DMR inspectorate
Labour		
The consistent, assured availability of appropriately skilled human resources at economic rates is essential to the sustainability of our operations. Similarly important is the efficiency and discipline of our workforce.	• Labour disruptions • Potential damage to property • Intimidation of employees potentially resulting in harm	• Recognition agreement with NUM • Concluded three-year wage agreement with NUM which provides certainty and stability • Monthly liaison with shop stewards and regular contact with regional leadership
Local stakeholders		
Our neighbours are impacted by our operations in terms of employment, dust, noise, water security and our ability to invest meaningfully in their communities. The perceptions of stakeholders, including different sections of the community and various levels of government, are varied and multi-layered.	• Disruptions to operations through community unrest • Safety and health of community	• Ongoing environmental impact monitoring
Management of resources and reserves		
How we manage the extraction of the mineral resource, of multiple MG layers of reef, is critical to our business model. Our success depends on our extracting the maximum value per tonne of reef while avoiding in-pit dilution and undue sterilisation of the resource.	• Sub optimal quantity and quality of reef resulting in poor processing plant recoveries impacting on financial performance • Sterilisation of resources reduces life of mine and inhibits mining flexibility	• In-house mining skills • Accuracy and execution of mine plan • Mining employees and contractors managed on KPIs • Moved to single-contractor model (post financial year end)

Risks	Impact	Mitigation
Regulatory compliance		
Strict adherence to various legal and legislative requirements informs our licence to operate and our various compacts with investors. There is uncertainty around amendments to the MPRDA.	• Cost of compliance to changes in MPRDA • Non-compliance resulting in potential legal sanction • Negative investor sentiment • Capital raising hindered	• Ensure compliance with current MPRDA and applicable legislation • Engage with regulatory authorities and industry organisations • Ongoing communication and awareness with investors
Environment		
We are obliged in terms of our undertaking to stakeholders, including government, providers of capital and the community, to monitor, minimise and mitigate our impact on the physical environment to the greatest extent possible.	• Harm to the environment • Cost of remediation and rehabilitation • Potential legal sanctions	• Conduct all operations in an environmentally responsible manner • Compliance with all applicable national and local laws and regulations • Monitor compliance against Equator Principles • Mine closure rehabilitation guarantee and investment
Cash flow		
Investors expect appropriate returns relative to the perceived risks of their investments. In the context of subdued commodity prices the Company may have limited access to capital. The Company requires cash flow to meet debt repayments and ongoing growth of our asset through stay in business capital.	• Inability to secure the capital necessary to fund the ongoing requirements of the Group • Breach of debt facility terms • Inadequate maintenance of plant and equipment	• Comprehensive budgeting • Stringent cost control • Established working capital facilities • Fully maintained debt service reserve account • Preventative maintenance system implemented
Access to infrastructure		
Our mining, processing and marketing operations rely on sustainable access to water, electricity and rail and road infrastructure.	• Production interruptions • Delivery commitments not complied with	• Two independent processing plants providing flexibility in times of electricity and water curtailments • Run of mine stockpiles providing buffer feed for processing plants • Multi modal transport optionality via bulk or containers, road and/or rail
Commodity prices		
The state of the world's economies impacts on demand and market prices for PGMs and chrome concentrate. Volatility in the ZAR/US$ exchange rates affects our profitability.	• Negative impact on the profitability and cashflows of the Group	• Monitor costs closely to ensure that we remain in the lowest cost quartile • Stringent cost control and focus on production

Stakeholder engagement

The nature of our integrated mining, mineral processing, marketing and logistics business, its current stage of development and the physical location of our mining and processing operations dictate that the Group has a wide variety of stakeholders whose endorsement is critical to both our social and legal licences to operate. Stakeholders are defined as those groups or individuals who are directly affected by the Group's business activities.

Our engagement with these various stakeholders is informed by what matters to them and their particular needs. Transparency is a core Group value.

This table summarises our key stakeholders, their key concerns and how we engage with them regarding the challenges and opportunities facing our Group.

Stakeholder	Key concern	Form of engagement
Shareholders	• Implementation of strategy and performance against the strategy • Group financial and non-financial performance • Return on investment • Dividends • Share price performance • Sustainability • Risk management	• Interim and annual reporting • Quarterly production updates • Company website • AGM • SENS announcements
Employees	• Safe working environment • Fair remuneration and benefits • Health and wellness programmes and counselling • Job security and opportunities for training and career advancement • Sustainable company performance • Skills levels/development	• Regular employee engagement forum meetings at the Tharisa Mine • Tharisa Minerals newsletters and posters • Tharisa Minerals induction and ongoing skills development training • Company website • Daily supervisor/manager interaction • Ongoing safety training on the Tharisa Mine • Union recognition and negotiation by Tharisa Minerals • Tharisa Minerals wellness programmes and campaigns
Customers	• Quality of PGM and chrome concentrates • Price of chrome concentrates • Delivery status • Reliability of supply	• Regular electronic and telephonic communication • Customer site visits • Commodity conferences
South African national, provincial and local government	• Adherence to mining legislation • Adherence to Mining Charter • Compliance with relevant legislation and regulations • Community development • Health and safety • Environmental impact and rehabilitation • Employment creation	• Monthly, quarterly and annual reports to DMR • Regular engagement with local and provincial government • Scheduled and unannounced site visits by regulators
Research analysts and fund managers	• Availability of reliable and timeous Group financial and non-financial information • Regular information updates	• Roadshows and analyst briefings • Interim and annual reporting • Annual Report • Company website • SENS announcements
Contractors and suppliers	• Fair and reasonable contract terms • Adherence to contract terms • Quality control • Preferential procurement policies • Sustainability • Payment terms	• Procurement policies and tender process • On-site operational meetings as required • Verbal and electronic communication • Contract terms negotiated and agreed • Standard contract terms for suppliers of goods
South African SOE service providers	• Markets for rail and energy • Certainty of business • Assistance in the provision of infrastructure	• Regular face-to-face meetings • Electronic communication • Joint task team with Transnet to develop siding

Stakeholder	Key concern	Form of engagement
Labour unions (Tharisa Minerals only)	• Union recognition and ability to organise workers • Securing improved conditions of employment for members • Safe working environment	• Monthly liaison with shop stewards • Regular contact with NUM regional leadership • Labour forum meets once a month
Banks and guarantors	• Scheduled return of capital and interest • Adherence to facility contract terms • Compliance with debt covenants • Risk related returns • Group operating and financial performance • Sustainability • Risk management • Security for facility	• Reporting on a monthly, bi-annual and annual basis • Presentations and meetings with management • Tharisa Mine site visits by senior debt providers at least twice a year • Active interaction with the independent technical consultant appointed by the senior debt providers • Telephonic and electronic communication, particularly on working capital facilities • Annual review of working capital facilities
Tharisa Mine local communities	• Employment creation • Local procurement • Health and safety • Environmentally responsible conduct and compliance with environmental legislation • Corporate social investment • Skills development	• Adult education and training, learnerships and bursaries • Community forums • Local upliftment and wellness programmes and projects

Governance

Board of directors

EXECUTIVE DIRECTORS

1. Loucas Pouroulis

Chairman

Mining and Metallurgical Engineering (Hons) (National Technical University, Athens, Greece)

Loucas Pouroulis is the Executive Chairman of the Group, with responsibility for the development of strategy and the identification of new opportunities for the Group. He began his career in Cyprus in 1962, and his initial post graduate training took place in Germany, Sweden and Cyprus. Loucas is trained as a mining and metallurgical engineer and has more than 50 years' experience in mining exploration, project management, financing and production in open pit and underground mining operations, including PGM and gold mines. He emigrated to South Africa in 1964 and joined Anglo American, where he rose rapidly through the management ranks and received extensive training and experience. In 1971, Loucas began to pursue his own mining interests, initially focusing on gold mining opportunities considered uneconomical by the majors. By the 1990s, he had established Petra Diamonds and, since 2000, has established Eland Platinum, Tharisa, Kameni, Keaton Energy and TransAfrika Resources.

2. Phoevos Pouroulis

Chief Executive Officer

Bachelor of Science and Business Administration (Boston University, Massachusetts, USA)

Phoevos Pouroulis is the Chief Executive Officer of the Group, with responsibility for implementation of overall strategy and management. Phoevos has held various senior managerial and operational positions in his career spanning more than 15 years. He has extensive experience in project management, mining design, commissioning and mining operations, including chrome and PGM mines, having been involved in South Africa's mining industry since 2003. He has served as Commercial Director for Chromex Mining and was a founding member of Keaton Energy, where he is currently a non-executive director. Phoevos serves on the Council of the International Chrome Development Association.

3. Michael Jones

Chief Finance Officer

Bachelor of Accounting (University of KwaZulu-Natal (Pietermaritzburg), South Africa), CA(SA); Member, South African Institute of Chartered Accountants

Michael Jones is the Chief Finance Officer of the Group and is responsible for the overall financial operation and the financial reporting management of the Group. Michael has more than six years' senior financial management experience in the mining exploration and development sphere and had 18 years' experience in investment banking, focusing on mergers and acquisitions and capital raisings of both equity and debt.

INDEPENDENT NON-EXECUTIVE DIRECTORS

4. David Salter

Lead independent non-executive director

Bachelor of Science (Hons), PhD in Mineral Technology (Imperial College, London), FSAIMM

David Salter has more than 30 years' experience in the development and management of mining companies, including both open pit and underground PGM mining operations. David was the managing director of Eland Platinum until its sale to Xstrata in 2007. He is the non-executive Chairman of Keaton Energy and a non-executive director of a number of unlisted mining companies. David will be retiring by rotation at the AGM and will be available for re-election.

5. Ioannis Drapaniotis

Independent non-executive director

Bachelor of Engineering (Mining and Metallurgy) (National Technical University of Athens, Greece)

Ioannis Drapaniotis has over 46 years' experience in the mining and metallurgical sectors, having worked in various managerial and operational positions in mining companies since 1964. He was the general manager of the Federation of Greek Industry from 2001 to 2008, and the executive chairman of the Hellenic Institute for Occupational Health and Safety from 2008 to 2011. Ioannis will be retiring by rotation at the conclusion of the AGM and will not be available for re-election.

The Board thanks Ioannis for the invaluable contribution he has made to the Company since his appointment in 2008.

6. Antonios Djakouris

Independent non-executive director

Chartered Accountant and Fellow of the Institute of Chartered Accountants in England and Wales

Antonios Djakouris is a qualified Chartered Accountant and has experience as a manager and director, having served in a number of posts with the Bank of Cyprus, including internal audit, credit review and retail banking, and as Group General Manager in charge of operations. From 2003 to 2009, he directed the Bank of Cyprus group's overseas operations, including banks in the United Kingdom, Australia, Russia, Romania and Ukraine. Antonios currently serves in an honorary capacity on the board and executive committee of the Cyprus Anti-Cancer Society, one of the largest charities in Cyprus. Antonios will be retiring by rotation at the AGM and will be available for re-election.

7. Omar Kamal

Independent non-executive director

Bachelor in Economics and Political Science, PhD in Management (Banking and Finance)

Omar Kamal has more than 20 years' experience in the field of finance and investment. He has a broad spectrum of knowledge and experience gained through his academic background, lecturing at university, serving as a key executive at two prominent Middle Eastern regional banks as well as having been the partner in charge of Islamic Financial Services Advisory Group at Ernst & Young LLP. He has served in many senior managerial positions throughout his career and during the period under review, he was an executive with ARH (Suisse) S.A. and other related companies within the group. At the time of his appointment to the Board, the Nomination Committee and the Board did not regard Omar as independent, in accordance with the King III definition of independence. At the date of this report, he is no longer affiliated with the above-mentioned companies. Given this fact, the Nomination Committee and the Board have re-assessed his independence and concluded that he now be considered an independent non-executive director.

NON-EXECUTIVE DIRECTORS

8. Brian Chi Ming Cheng

Non-executive director

Bachelor of Science (Babson College, Massachusetts, USA)

Brian Cheng is an executive director of NWS Holdings Limited (NWS), a Hong Kong listed company, and a subsidiary of which holds 15.85% of Tharisa's issued share capital. He is responsible for overseeing NWS' infrastructure business and merger and acquisition affairs. He is also a non-executive director of five other companies listed on the Hong Kong Stock Exchange. Before joining NWS, Brian worked as a research analyst in the Infrastructure and Conglomerates sector for CLSA Asia-Pacific Markets.

Joanna Ka Ki Cheng – Alternate director to Brian Cheng

Alternate non-executive director

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

Joanna Cheng, a Canadian national, is a Chartered Accountant and a member of the Institute of Chartered Accountants of Ontario, Canada. She has more than 15 years' experience in business development, investment and management and is the General Manager (Energy) of NWS Infrastructure Management Limited, a wholly owned subsidiary of NWS. Before joining NWS, Joanna worked at audit firms in Canada and Hong Kong.

Corporate Governance

INTRODUCTION

The Company is listed on the JSE under the 'General Mining' sector and, as such, is subject to the JSE Listings Requirements, as well as the Cyprus Companies Law and King III.

The Board is fully committed to the principles of King III, believing that accountability, integrity, fairness, transparency and integrated thinking is essential to the Group's long term sustainability and to its ongoing ability to create value for investors and other stakeholders. The Company's application of King III Chapter 2 principles is set out on page 39. The complete King III checklist is available on the Company website, www.tharisa.com.

Other than having an Executive Chairman and not having an in-house independent internal audit function, the Company is compliant, in all material respects, with King III. To mitigate these non-compliances, David Salter has been appointed as Lead Independent Director and PricewaterhouseCoopers has been appointed as the internal auditors of the Group.

ROLE AND RESPONSIBILITIES OF THE BOARD

The Board is the ultimate governing authority, responsible for the Company's strategy, key policies, ethics and corporate governance, as well as approving the Company's financial objectives and targets. The Board recognises that strategy, performance, risk and sustainability are inseparable and that the execution of strategy can have a material impact on the Company's creation of value and its various stakeholders. The Board is fundamentally important to the achievement of the Company's mission, financial objectives and fulfilment of its corporate responsibilities in a sustainable manner and provides effective leadership on an ethical foundation while ensuring that the Group is seen to behave as a responsible corporate citizen.

The Board is the ultimate custodian of the governance framework which commits the Company and its representatives to act according to the highest standards of fairness, accountability, responsibility, transparency, ethics and sustainability. The Company's approach to corporate governance strives to be stakeholder inclusive, based on good communication, and is integrated into every aspect of the Company's business.

The Company has adopted a Board Charter setting out the composition, role, responsibilities, obligations, rights and powers of the Board. The Board Charter is available on the Company website.

All non-executive directors have unrestricted access to the Chairman, management, the Joint Company Secretaries, and the external and internal auditors. In addition, all directors are entitled to seek independent professional advice on any matter pertaining to the Company and the Group, at the Company's expense.

BOARD COMPOSITION

Executive directors

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

Non-executive directors

David Salter *(Lead independent non-executive director)*
Ioannis Drapaniotis *(Independent non-executive director)*
Antonios Djakouris *(Independent non-executive director)*
Omar Kamal *(Independent non-executive director)*
Brian Cheng *(Non-executive director)*
Joanna Cheng *(Alternate to Brian Cheng)*

The Board currently comprises eight directors and one alternate director. There is a clear balance of power and authority at Board level to ensure that no single director has unfettered decision-making power, and there is a clear distinction between the roles of the Executive Chairman and the Chief Executive Officer. David Salter is the Company's Lead Independent Director.

BOARD APPOINTMENTS

Members of the Board are appointed by the Company's shareholders. The Board also has the power to appoint directors, subject to such appointments being approved by shareholders at the next AGM. Pursuant to the terms of the Board Charter, appointments to the Board are made on recommendation of the Nomination Committee. A formal policy detailing the procedures for appointments to the Board has been adopted by the Company. Non-executive directors are required to be individuals of calibre and credibility, be independent of management and possess the necessary skills and expertise to bring judgement to bear on issues of strategy, performance, resources, diversity, standards of conduct and evaluation of performance.

BOARD EVALUATION

During the year under review, the Board conducted an extensive self-evaluation of the performance of the Board, its committees, the Executive Chairman, Chief Executive Officer, Chief Finance Officer, Joint Company Secretaries and the performance and contribution of individual non-executive directors. It also performed an assessment of the independence of each of the independent non-executive directors.

DIRECTOR INDUCTION

Upon appointment, all new directors are provided with induction materials to familiarise them with the Group's operations, its business environment, and executive management, and to induct them in their fiduciary duties and responsibilities, including:

- Group structure
- Top shareholders
- Minutes of previous board meetings
- Annual and interim reports
- Articles of Association, Board Charter and Terms of Reference of all Board committees

- Information on Directors' and Officers' Insurance
- Quick reference guide to the JSE Listings Requirements
- Memorandum on the key legal responsibilities of directors of a JSE listed company
- JSE Listings Requirements regarding directors' dealings
- Memorandum on market abuse and insider trading.

RETIREMENT BY ROTATION AND RE-ELECTION OF DIRECTORS

In accordance with the Company's Articles of Association and King III, one-third of non-executive directors must retire from office at each AGM. The non-executive directors retiring at each AGM will be those directors who have been the longest serving since their last election. Retiring directors are eligible for re-election, and if so re-elected, are deemed to not have vacated their office. Accordingly, David Salter and Antonios Djakouris will be retiring by rotation at the upcoming AGM, and being eligible, will be available for re-election. Ioannis Drapaniotis, who will also be retiring by rotation, is not making himself available for re-election.

A brief *curriculum vitae* of each director standing for re-election appears on page 32. Having assessed the performance of the directors standing for re-election, it is the recommendation of the Board that they be re-elected.

In terms of the Company's Articles of Association, any directors appointed by the Board during the course of the financial year, shall hold office only until the next AGM of the Company following their appointment and shall then retire and be eligible for re-election. Other than the appointment of the alternate director, no directors have been appointed during the period. An alternate director is neither subject to retirement by rotation, nor is the appointment required to be confirmed by shareholders.

BOARD MEETINGS

The Board meets at least four times per year and at such other times as may be required. The Board met four times during the year under review.

BOARD COMMITTEES

Certain responsibilities are reserved for the Board, while others are delegated to Board committees, each with formal mandates and Terms of Reference, without abdicating the Board's overall fiduciary duties and responsibilities. The Terms of Reference of each Board committee determines, *inter alia*, the composition, purpose, scope of mandate, and powers and duties of the committee. Board committees provide feedback to the Board through reports by their respective chairmen and provide the Board with copies of minutes of committee meetings. Terms of Reference of the various committees are compliant with the JSE Listings Requirements, are reviewed on a regular basis and are available on the Company website. All committees have satisfied their responsibilities in compliance with their respective Terms of Reference during the year under review.

Audit Committee

Antonios Djakouris – Chairman (Independent non-executive director)
David Salter (Lead independent non-executive director)
Ioannis Drapaniotis (Independent non-executive director)
Omar Kamal (Independent non-executive director)

The Chairman of the Audit Committee, Antonios Djakouris, is a Chartered Accountant and possesses the requisite expertise in finance, accounting and auditing, having experience in internal audit, credit review, information technology and retail banking. David Salter and Ioannis Drapaniotis have sufficient financial acumen to discharge their responsibilities as members of the Audit Committee effectively and bring a balance of skills and expertise, particularly in the mining industry, to the Committee. While Omar Kamal was regarded as non-independent by the Board during the period under review, his membership of the Audit Committee brought depth and additional financial expertise to the Committee, given his qualifications and experience in finance and economics.

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

The Audit Committee provides the Board with additional assurance regarding the quality and reliability of financial information used by the Board and the financial statements of the Group. The Committee reviews the internal and financial control systems, accounting systems and reporting and internal audit functions. It liaises with the Group's external auditors and monitors compliance with legal requirements. Furthermore, the Audit Committee assesses the performance of financial management, approves external audit fees and budgets, monitors non-audit services provided by the external auditors against an approved policy and ensures that management addresses any identified internal control weakness. In addition, the Audit Committee oversees the integrated reporting process, risk management systems, information technology risks (as they relate to financial reporting) and the Group's whistleblowing arrangements, policies and procedures for preventing corrupt behaviour and detecting fraud and bribery.

The Committee has unrestricted access to all Company and Group information and may seek information from any employee. The Committee may also consult external professional advisors in executing its duties.

The Chairman of the Audit Committee is required to report to the Board after each meeting of the Committee and the minutes of meetings of the Audit Committee are provided to the Board. For more information on the activities of the Committee during the year under review, refer to the Report of the Audit Committee on page 49.

The Committee meets as often as is deemed necessary, but is required to meet at least twice a year. The Audit Committee met four times during the year under review.

Risk Committee

Antonios Djakouris – Chairman (Independent non-executive director)
Loucas Pouroulis (Executive Chairman of the Board)
Phoevos Pouroulis (Chief Executive Officer)
Michael Jones (Chief Finance Officer)
David Salter (Lead independent non-executive director)
Ioannis Drapaniotis (Independent non-executive director)
Omar Kamal (Independent non-executive director)
Brian Cheng (Non-executive director)
Joanna Cheng (Alternate to Brian Cheng)

Control of the complete process of risk management, the evaluation of its effectiveness and approval of recommended risk management and internal control strategies, systems and procedures are key Board responsibilities. For this reason, the Risk Committee comprises the entire Board. The Risk Committee reviews management reports on the adequacy and effectiveness of the Group's risk management functions, ensures compliance with the Group's risk management policies and reviews the adequacy of the Group's insurance coverage.

During the year under review the Committee conducted a high-level review of the residual risks identified by management following a facilitated risk assessment workshop and subsequent business risk review undertaken at operating subsidiary level. It continues to monitor progress made by risk owners in identifying mitigating factors, performing gap analyses and implementing additional mitigating measures where required. In addition, the Risk Committee conducted a formal strategic risk workshop, during which non-operational and strategic risks impacting on the Company and the Group were reviewed and evaluated. The Risk Committee met twice during the year under review.

Nomination Committee

David Salter – Chairman (Lead independent non-executive director)
Loucas Pouroulis (Executive Chairman of the Board)
Antonios Djakouris (Independent non-executive director)

Given that Loucas Pouroulis is the Executive Chairman of the Board, he is entitled to participate and contribute to the Committee but is not entitled to vote on any matter before it. In the event of a tied vote, David Salter has a casting vote.

The Nomination Committee ensures that procedures for appointments to the Board are formal and transparent by making recommendations to the Board on all new appointments in accordance with the Company's policy for such appointments. It does so by reviewing the size, structure and composition of the Board, taking cognisance of the skills, knowledge, independence, experience and diversity of Board members. The Nomination Committee is also responsible for evaluating Board performance, undertaking performance appraisals of the Chairman and directors, evaluating the effectiveness of Board committees, making recommendations to the Board and reviewing Board succession plans.

The work of the Committee during the year followed both its Terms of Reference and established good practice in corporate governance. The Committee conducted a review of the structure, size and composition of the Board, with specific emphasis on skills, knowledge, independence and diversity of the Board members. It was agreed that consideration should be given to the appointment of an appropriately qualified female independent non-executive director with experience in the mining industry. During the year under review, it considered the notice of the appointment of Joanna Cheng as alternate director to Brian Cheng and recommended that the Board consent to the appointment.

Both the Board and the Nomination Committee reviewed the results of the Board and Committee evaluation process, as well as the results of the evaluation of the Chairman of the Board, the Chief Executive Officer, the Chief Finance Officer, the Joint Company Secretaries and the individual non-executive directors. While the results of the evaluations were found to be satisfactory, it was agreed that all parties would strive to continuously improve performance. The Committee met once during the year under review.

Remuneration Committee

Antonios Djakouris – Chairman (Independent non-executive director)
David Salter (Lead independent non-executive director)
Ioannis Drapaniotis (Independent non-executive director)

All members of the Committee are independent non-executive directors. The Chief Executive Officer and Chief Finance Officer are invited to attend meetings of the Committee to make presentations, except when their own remuneration is under consideration.

The Remuneration Committee considers the remuneration framework of the Executive Chairman, Chief Executive Officer, Chief Finance Officer, the Company Secretaries and other members of the executive management of the Company and its subsidiaries, with the assistance and guidance of independent experts and local and international benchmarks. The Committee also considers bonuses, which are discretionary and based upon general economic variables, the performance of the Company and each individual's performance, allocations in terms of the Group's incentive schemes and certain other employee benefits and schemes.

During the year, the Committee reviewed various aspects of the Group's remuneration policy and structure, including executive salaries, performance based remuneration schemes and the Share Award Plan. The Committee is satisfied with the prevailing policies, remuneration and structure. The Committee met five times during the year under review.

Safety, Health and Environment Committee

David Salter – Chairman (Lead independent non-executive director)
Antonios Djakouris (Independent non-executive director)
Ioannis Drapaniotis (Independent non-executive director)

All members of the committee are independent non-executive directors. The Chief Executive Officer attends the meeting by invitation.

The Safety, Health and Environment Committee develops and reviews the Group's framework, policies and guidelines on safety, health and environmental management, monitors key indicators on accidents and incidents and considers developments in relevant safety, health and environmental practices and regulations. The Committee met four times during the year under review.

ATTENDANCE AT MEETINGS

Attendance at Board and Committee meetings is set out below:

Director	Board	Audit	Nomination	Remuneration	Risk	SHE
Loucas Pouroulis	4/4	–	1/1	–	2/2	–
Phoevos Pouroulis	4/4	4/4#	–	5/5#	2/2	4/4#
Michael Jones	4/4	4/4#	–	5/5#	2/2	–
David Salter	4/4	4/4	1/1	5/5	2/2	4/4
Antonios Djakouris	4/4	4/4	1/1	5/5	2/2	4/4
Ioannis Drapaniotis	4/4	4/4	–	4/5	2/2	4/4
Omar Kamal	3/4	4/4	–	–	2/2	–
Brian Cheng	1/4*	–	–	–	0/2*	
Joanna Cheng (Alt)	3/4^	–	–	–	0/2^	

* *Appointed 19 December 2014.*
^ *Appointed as alternate to Brian Cheng on 25 September 2015. Ms Cheng attended two board meetings by invitation prior to appointment.*
# *By invitation.*

JOINT GROUP COMPANY SECRETARIES

The role of the Joint Group Company Secretaries is, *inter alia*, to provide guidance and advice to the Board with respect to matters relating to the JSE Listings Requirements, the Cyprus Companies Law, King III and other corporate governance related matters. In addition to their statutory duties, the Company Secretaries provide the Board as a whole, individual directors and the various committees with guidance as to the manner in which their responsibilities should be discharged in the best interest of the Group.

The appointment and removal of the Company Secretaries is a matter reserved for the Board as a whole. The Board formally assessed and considered the performance and qualifications of the Company Secretaries and is satisfied that the Company Secretaries are competent, suitably qualified and experienced. Neither of the Company Secretaries is a director of Tharisa, nor are they related or connected to any of the directors and the Board is satisfied that the Company Secretaries maintain an arms-length relationship with the Board.

SAFETY AND ETHICS HOTLINE

A 24-hour Safety and Ethics Hotline monitored by an independent external party is fully operational and facilitates the reporting and resolution of safety and ethical violations. This confidential and anonymous hotline provides an impartial facility for employees, service providers, customers and other stakeholders to report any safety or ethics related matter such as safety concerns, unsafe behaviour and practices, hazardous conditions, fraudulent activity, corruption, statutory malpractice, financial and accounting reporting irregularities and other deviations from safe and ethical behaviour. It is the duty of the Audit Committee to ensure that arrangements are in place for the independent investigation of such matters and appropriate follow-up action.

CONFLICTS OF INTEREST

Directors are required to declare their other directorships and interests, as well as any conflict of interest in any matter before the Board.

SHARE DEALING AND INSIDER TRADING

All directors, senior executives and employees who, by virtue of their positions have access to financial and other price sensitive information, are regarded as insiders and are required, at all times, to obtain prior authorisation to deal in the Company's shares.

Closed periods are observed as required by the JSE Listings Requirements. The Company's directors, executives and employees who are classified as insiders are not permitted to deal in the Company's shares during closed periods or when they are in possession of non-public information. An appropriate communication is sent to all such employees alerting them that the Company is entering a closed period.

SUCCESSION PLANNING

The Board, assisted by the Nomination Committee, is responsible for succession planning for the Board, executives and senior management.

INFORMATION TECHNOLOGY GOVERNANCE

The Board Charter commits the Board to assuming ultimate responsibility for ensuring that effective information technology (IT) systems, internal control, auditing and compliance policies, procedures and processes are implemented in order to avoid or mitigate key IT-related business risks. An IT governance framework is in the process of being prepared.

INTERNAL CONTROL SYSTEMS

To meet the Company's responsibility to provide reliable financial information, the Company maintains financial and operational systems of internal control. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management's authority, that the assets are adequately protected against material losses, unauthorised acquisition, use or disposal, and that transactions are properly authorised and recorded.

The systems include a documented organisational structure and division of responsibility, established policies and procedures which are communicated throughout the Group, and the careful selection, training and development of people.

The Board monitors the operation of the internal control systems to determine whether there are deficiencies. Corrective actions are taken to address control deficiencies as they are identified. The Board, operating through the Audit Committee, oversees the financial reporting process and internal control systems.

The Company does not have an in-house independent internal audit function. The Audit Committee reviews, on an annual basis, whether there is a need for an in-house internal audit function and makes the necessary recommendation to the Board. The Audit Committee has considered the decision at the time of listing that, given the size and stage of development of the Company and the Group, an in-house internal audit function is not justified, and is still of the opinion that the appointment of PricewaterhouseCoopers as internal auditors for the Group sufficiently mitigates the risk of not having an in-house internal audit function.

There are inherent limitations to the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, an effective internal control system can provide only reasonable assurance with respect to financial statement preparation and the safeguarding of assets.

King III application

The Board is fully committed to the principles of King III. The Company's application of Chapter 2 principles is set out below. The complete King III checklist is available on the Company website, www.tharisa.com.

PRINCIPLE Chapter 2 – Boards and directors			Status	Summary of how Tharisa applies the King III principles
Role and function of the Board	2.1	The Board should act as the focal point for and custodian of corporate governance	Applied	The Board is committed to the highest standards of corporate governance and believes that accountability, integrity, fairness, transparency and integrated thinking is essential to the Group's long-term sustainability and to its ongoing ability to create value for investors and other stakeholders.
	2.2	The Board should appreciate that strategy, risk, performance and sustainability are inseparable	Applied	The Board recognises that strategy, risk, performance and sustainability are inseparable. The Board is responsible for aligning the strategic objectives, vision and mission of the Group with performance and sustainability considerations. The Board reviews and approves Group strategy, helping to ensure alignment with the purpose of the Company, key value drivers, sustainability and legitimate interests and expectations of stakeholders. The Board ensures that risks impacting the business are adequately examined and mitigated by management.
	2.3	The Board should provide effective leadership based on an ethical foundation	Applied	The Board is guided in all matters by the Board Charter which sets out its responsibilities. The Board subscribes to and promotes the highest standard of integrity and good corporate governance. The Board is responsible for strategic direction and control of the Company and exercises such control through the governance framework of the Board and its committees. Certain matters are reserved for decision by the Board. The values and principles of Tharisa are refined in the Company's Code of Ethics which seeks to ensure compliance with relevant legislation and regulations, in a manner that is beyond reproach. The Board's ethical approach is further strengthened by the diverse experience of its non-executive directors, the majority of whom are independent.
	2.4	The Board should ensure that the Company is and is seen to be a responsible corporate citizen	Applied	The Board Charter outlines the Board's responsibilities in this regard. Tharisa is committed to the promotion of sound safety, health and environmental practices in order to protect, enhance and invest in the wellbeing of the economy, society and the environment. The Board focuses on these matters through its Risk and Safety, Health and Environment Committees.
	2.5	The Board should ensure that the company's ethics are managed effectively	Applied	The Board Charter outlines the Board's effective management of ethics. The Code of Business Ethics and Conduct reaffirms the high standards of business conduct required of all employees, officers and directors of the Group. A 24-hour Safety and Ethics Hotline monitored by an independent external party is fully operational and facilitates the detection and resolution of safety and ethics violations.
	2.6	The Board should ensure that the Company has an effective and independent Audit Committee	Applied	The Audit Committee comprises three independent non-executive directors and one non-executive director. The Chairman of the Audit Committee is a Chartered Accountant and possesses the requisite expertise in finance, accounting and auditing, having experience in internal audit, credit review, information technology and retail banking. The other two independent non-executive directors on the Committee have sufficient financial acumen to discharge their responsibilities as members of the Audit Committee effectively, and they bring a balance of skills and expertise, particularly in the mining industry, to the Audit Committee. The non-executive director on the Committee has extensive experience in the field of finance and investment and has a broad spectrum of knowledge and experience and it is the view of the Board that his membership of the Audit Committee adds depth and additional financial expertise to the Audit Committee.

PRINCIPLE Chapter 2 – Boards and directors		Status	Summary of how Tharisa applies the King III principles
2.7	The Board should be responsible for the governance of risk	Applied	The Board has delegated responsibility to monitor risk activities of the Company to the Risk Committee while remaining ultimately accountable. The Risk Committee comprises the full Board. The responsibility of managing, monitoring and mitigating individual risks is assigned to senior management.
2.8	The Board should be responsible for information technology (IT) governance	Applied	The Board has delegated governance of IT to the Audit Committee.
2.9	The Board should ensure that the Company complies with applicable laws and considers adherence to non-binding rules, codes and standards	Applied	Compliance with laws, standards and codes forms part of Tharisa's key business principles.
2.10	The Board should ensure that there is an effective risk-based internal audit	Applied	The Audit Committee oversees the risk-based internal audit and its effectiveness.
2.11	The Board should appreciate that stakeholders' perceptions affect the Company's reputation	Applied	The Board understands that stakeholder perceptions affect the Company's reputation. Stakeholder perceptions are closely managed through engagement on multiple levels, which allows management to manage and mitigate any potential issues, reducing the likelihood of reputational risk.
2.12	The Board should ensure the integrity of the Company's integrated report	Applied	The Company has controls to ensure the integrity of the Annual Report. It is reviewed by the finance team, Chief Finance Officer, Chief Executive Officer, the Joint Company Secretaries, senior management, JSE sponsor, external auditors and the Audit Committee to ensure that the information is a true reflection of the Group's activities and complies with all requirements, prior to approval by the Board.
2.13	The Board should report on the effectiveness of the Company's system of internal controls	Applied	The Board reports on the effectiveness of internal controls in the Annual Report.
2.14	The Board and its directors should act in the best interests of the Company	Applied	The Board is aware of its fiduciary duties requiring it to act in good faith and in the best interests of the Company. The directors exercise objective judgement on the affairs of the Company and the Group, independently from management. The Board is permitted to seek independent professional advice at the Company's expense and has unrestricted access to any information it may require in connection with discharging its duties. Directors adhere to the legal standards of conduct. Directors' interests in contracts and any other potential conflicts of interest are requested to be disclosed at every Board meeting.
2.15	The Board should consider business rescue proceedings or other turnaround mechanisms as soon as the Company is financially distressed as defined	Applied	The solvency and liquidity of the Company is considered by both the Audit Committee and the Board as part of the process of finalising the interim and Annual Financial Statements, and in considering the financial reports at each quarterly Board meeting. Turnaround mechanisms would be considered by the Board if the need arose.

PRINCIPLE Chapter 2 – Boards and directors			Status	Summary of how Tharisa applies the King III principles
	2.16	The Board should elect a Chairman of the Board who is an independent non-executive director.	Not applied; mitigated	Given that the Chairman of the Board is an Executive Chairman, David Salter has been appointed as Lead Independent Director in accordance with the principles of King III.
		The Chief Executive Officer of the Company should not also fulfil the role of Chairman of the Board	Applied	The roles of Chief Executive Officer and Chairman are not fulfilled by the same person and there is a clear distinction between the roles and responsibilities of the Chairman and the Chief Executive Officer, as set out in the Board Charter.
	2.17	The Board should appoint the Chief Executive Officer and establish a framework for the delegation of authority	Applied	The Board has appointed a Chief Executive Officer who is responsible for the day-to-day operational requirements and acts within a framework of delegation of authority as set out in the Board Charter and authorities framework, both of which are reviewed on a regular basis. The Chief Executive Officer is the highest decision-making officer in the Group and is accountable to the Board for the successful implementation of the Group strategy and overall management of the Group. The Board and Nomination Committee oversee succession planning of the Chief Executive Officer and other senior executives and officers.
Composition of the Board	2.18	The Board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent	Applied	The Board comprises a majority of non-executive directors, the majority of whom are independent. The Nomination Committee considers composition of the Board, taking into account the size, demographics and diversity of the Board and the knowledge, skills, experience and resources required for conducting the business of the Board.
Board appointment process	2.19	Directors should be appointed through a formal process	Applied	Directors are appointed through a formal process, outlined in the Terms of Reference of the Nomination Committee. The Nomination Committee is tasked with identifying and evaluating potential candidates for appointment to the Board. The authority to appoint directors remains a function of the Board and shareholders. The appointment of non-executive directors is formalised through letters of appointment.
Director development	2.20	The induction of and ongoing training and development of directors should be conducted through formal processes	Applied	Newly appointed directors are inducted in the Company's business, Board matters, their duties and other governance responsibilities, and the JSE Listings Requirements under the guidance of the Joint Company Secretaries. Directors are briefed on changes in risks, laws and the business environment on an ongoing basis.
Company Secretary	2.21	The Board should be assisted by a competent, suitably qualified and experienced Company Secretary	Applied	The Board is assisted by competent Joint Company Secretaries based in Cyprus and South Africa. The Joint Company Secretaries have a direct communication channel to all directors while maintaining an arm's length relationship. The roles and responsibilities of the Joint Company Secretaries are set out in the Board Charter. The appointment and removal of the Joint Company Secretaries is a matter reserved for the Board. As required by the JSE Listings Requirements, the Board assesses the competence, qualifications and experience of the Joint Company Secretaries on an annual basis and reports on its findings in the Annual Report.

PRINCIPLE Chapter 2 – Boards and directors			Status	Summary of how Tharisa applies the King III principles
Performance assessment	2.22	The evaluation of the Board, its committees and the individual directors should be performed every year	Applied	The Board and its committees conduct annual self-evaluation of the performance of the Board, its committees, the Executive Chairman, Chief Executive Officer, Chief Finance Officer, Joint Company Secretaries and individual directors. The results of the evaluations are reviewed and considered by the Nomination Committee, the Board and respective committees. The Lead Independent Director, assisted by the Joint Company Secretaries, coordinate the evaluation process.
Board committees	2.23	The Board should delegate certain functions to well-structured committees but without abdicating its own responsibilities	Applied	The Board is assisted in fulfilling its duties by well-structured committees, namely the Audit Committee, Risk Committee, Remuneration Committee, Nomination Committee and Safety, Health and Environment Committee. These committees function according to the Board and JSE approved Terms of Reference in executing their mandates and for which the Board remains ultimately responsible. The Committees are appropriately constituted and the Committee Terms of Reference are reviewed on a regular basis. All committees are empowered to obtain such external independent advice as may be required to enable them to discharge their duties. The majority of the directors on the Committees are non-executive and independent.
Group Boards	2.24	A governance framework should be agreed between the Group and its subsidiary Boards		The Tharisa plc Board is the custodian of corporate governance within the Group. Reporting between the Group and its subsidiary boards is governed by internal policies and procedures. While the boards of subsidiary companies function independently, the Company exercises its shareholder rights to ensure that the Company approves material decisions of its subsidiaries and that the Group's minimum requirements in respect of matters such as governance, internal controls, financial management, information management, sustainability and stakeholder relationships are complied with. The Company requires decision-making involvement in a defined list of matters to ensure that material decisions are in the interest of the Group. This includes decisions relating to the restructuring of share capital of Group companies, decisions to initiate, defend or settle legal claims, certain commercial agreements above a certain contract value, any matters relating to the renewal or validity of the Group's mining licences, adoption of changes to long-term incentive schemes and the allocations in terms thereof, large capital expenditures, and mergers, acquisitions and disposals.
Remuneration of directors and senior executives	2.25	Companies should remunerate directors and executives fairly and responsibly	Applied	The Remuneration Committee ensures the policies around the remuneration of executive directors and executives are fair and effected responsibly. The non-executive directors' fees are determined by the Board. The Remuneration Committee and the Board seek and consult remuneration surveys and industry benchmarks when considering the fairness and appropriateness of directors' and executives' remuneration.
	2.26	Companies should disclose the remuneration of each individual director and certain senior executives	Applied	The Company provides full disclosure of remuneration of executive and non-executive directors, as well as the next top three earners, as required by the JSE Listings Requirements and King III.
	2.27	Shareholders should approve the Company's remuneration policy	Applied	The remuneration policy is published in the Remuneration Report, which forms part of the Annual Report, and is subject to a non-binding advisory vote by shareholders at the AGM.

Remuneration report

REMUNERATION COMMITTEE

The composition, role and responsibilities of the Remuneration Committee are detailed on page 36. While the Remuneration Committee establishes, maintains, reviews and governs the Group's remuneration policy, it focuses mainly on the remuneration of directors, executives and senior management.

REMUNERATION POLICY

The Group's remuneration policy reflects the dynamics of the market and the context in which the Group operates. The policy plays a vital role in attracting, motivating and retaining employees, management and directors with the necessary skills to effectively manage operations and grow the business. The Group regularly seeks and uses remuneration survey services. The remuneration policy applies to all employees who are permanently employed and is not applicable to employees of third-party contractors.

Basic remuneration packages and benefits are set at a competitive level by benchmarking prevailing market rates in the mining industry and are reviewed on an annual basis. The objective is to set levels of remuneration for South African employees based on the 50th percentile for mining companies in South Africa and the 75th percentile for all companies nationally in South Africa. Salaries are reviewed annually, taking into consideration the economic environment and size, structure and financial performance of the Group. The mining industry is, however, a very competitive market with a scarcity of appropriate skills and top-end salary scales are often paid to attract and retain critical skills.

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

The Group aims to create and enforce a high performance culture that motivates employees to achieve more than just satisfactory levels of performance by differentiating between excellent and mediocre performance. By ensuring that employees are recognised and rewarded for their performance in a fair and equitable manner, the Group strives to remunerate employees equitably according to the value they contribute to the Group.

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

Short-term and long-term incentives are geared to a number of performance factors in the business and achievement of individual performance. The remuneration philosophy establishes accountability by linking total reward to business objectives and execution thereof, in a fair and transparent manner in a bid to find a balance between shareholder return requirements, affordability and incentivisation. The three short- and long-term incentives aim to address diverse employee needs.

SHORT-TERM BONUS SCHEME

The Group has implemented a short-term bonus scheme for all bands of employees, which is calculated at 15% of the respective employees' remuneration packages for on-target performance. The bonuses are not guaranteed, but are dependent on the achievement of safety standards and are payable only upon the achievement of production targets and personal performance standards. The bonuses are payable annually in arrears for executive directors and senior management, quarterly in arrears for management and employees graded above Paterson band D3 and monthly in arrears for employees of bands D3 and below.

SHARE AWARD PLAN

The purpose of the Share Award Plan is to retain and incentivise employees of the Group. The number of awards and the performance conditions attaching thereto are set by the Remuneration Committee.

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

- Conditional Awards, which are conditional awards of a specified number of shares in the Company (Tharisa Shares), contingent on the achievement of performance conditions established by the Remuneration Committee. The vesting periods for these awards are also established by the Remuneration Committee; and
- Appreciation Rights, which are rights to receive such number of Tharisa Shares equal to the increase in the market price of such shares on the JSE between the date of grant and the date of exercise of the award. The award may be exercised between the vesting date as set by the Remuneration Committee and the fifth anniversary of the date of grant. Vesting of Appreciation Rights may also be contingent upon the achievement of performance conditions set by the Remuneration Committee.

The purpose of the Conditional Awards and Appreciation Rights is to incentivise selected employees within the Group. The aim of the award is to ensure the retention of key skills together with the achievement of certain performance factors that are required for the ongoing performance and growth of the Group and to align management interests with those of shareholders.

The first awards under the Share Award Plan were made on 9 April 2014 comprising both the Conditional Awards and Appreciation Rights. These awards were conditional only upon the listing of the Company on the JSE and the participant remaining employed by the Group at the time of vesting. The first tranche of these awards vested on 19 June 2015 and the Company issued 1 111 240 ordinary shares in respect of this vesting of the Conditional Awards on 26 June 2015. None of the Appreciation Rights have been exercised.

The second awards under the Share Award Plan were made on 30 June 2015. These awards are subject to the following performance conditions, which are measured at each vesting date and apply to that number of shares that are eligible for vesting at that date:

i The Conditional Award and Appreciation Right are contingent on there being no fatality at the Tharisa Mine in the case of Tranche 1 between the date of grant and 30 June 2016 (first 12-month period), in the case of Tranche 2 between 1 July 2016 and 30 June 2017 (second 12-month period) and in the case of Tranche 3 between 1 July 2017 and 30 June 2018 (third 12-month period).

ii. Subject to there being no fatality during the vesting periods as detailed above:

- 33.34% of each tranche of the Conditional Award and Appreciation Right will be subject to continuing employment in good standing (as determined by the Remuneration Committee) during the applicable vesting period;
- 33.33% of each tranche of the Conditional Award and Appreciation Right will be subject to the production of 144 koz 6E PGM during the first 12-month period, second 12-month period or third 12-month period, respectively. However 16.67% of each such tranche of the Conditional Award and Appreciation Right will vest (subject to paragraph i above) if the production during the applicable 12-month period is below 144 koz 6E PGM but above 136.8 koz 6E PGM. 33.33% of each tranche of the Conditional Award and appreciation right will be forfeited if production in any applicable 12-month period falls below 136.8 koz 6E PGM; and
- 33.33% of each tranche of the Conditional Award and Appreciation Right will be subject to the production of 1.5 Mt of chrome concentrates comprising metallurgical grade, foundry grade and chemical grade within contract specifications during the first 12-month period, second 12-month period or third 12-month period, respectively. However, 16.67% of each tranche of the Conditional Award and Appreciation Right will vest (subject to paragraph i above) if the production during the applicable 12-month period is below 1.5 Mt of chrome concentrates but above 1.425 Mt of chrome concentrates. 33.33% of each tranche of the Conditional Award and Appreciates Right will be forfeited if production in any applicable 12-month period falls below 1.425 Mt of chrome concentrates.

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

GROUP EMPLOYEES COVERED BY COLLECTIVE BARGAINING

Some 55% of Tharisa Minerals' eligible employees are members of the NUM. Tharisa Minerals has a recognition agreement with the NUM which gives the union full organisational rights. Accordingly, all unionised employees' salary levels, annual increases and allowances are negotiated on a collective basis.

Further information on labour relations can be found on pages 12 and 20.

EXECUTIVE DIRECTORS

Each director should be remunerated fairly and the remuneration paid to each director should take into account the individual director's level of responsibility, skills and experience. All executive directors have employment contracts and are remunerated in accordance with their function and position and are not remunerated for their roles as directors.

Executive directors are subject to the Group's standard terms and conditions of employment with notice periods being six months. In line with the remuneration guidelines of King III, no executives have extended employment contracts, special termination benefits or balloon payments linked to any restraint of trade.

The executive directors are eligible to participate in the Share Award Plan.

Reference is made to a remuneration survey of key positions such as Chief Executive Officer and Chief Finance Officer when determining remuneration levels.

During the year under review, no increases were granted to executive directors in view of the difficult economic climate in which mining in South Africa is operating.

RETIREMENT BENEFITS

During the year, the relevant South African group companies made contributions for all executive directors and employees to the Group provident funds. The rate of contribution is between 3% and 15%, of the pensionable salary of these individuals. The value of contributions for each executive director appears in the summary of directors' remuneration and benefits below.

Executive directors' remuneration

All amounts in US$'000	Basic salary	Expense allowance	Provident fund contributions and risk benefits	Share based payments	Total 2015	Total 2014
L Pouroulis	512	–	–	28	**540**	580
P Pouroulis	393	10	24	24	**451**	483
MG Jones	325	–	59	21	**405**	435
Other						
Top earner A	480	–	–	7	**487**	480
Top earner B	307	16	19	19	**361**	446
Top earner C	280	12	50	19	**361**	388

Directors' interests in the Tharisa Share Award Plan 2014

	As at 30 September 2014		As at 30 September 2015					
Conditional Awards Director and offer date	Opening balance	Value at date of award ZAR	Allocated	Value at date of award ZAR	Vested	Vesting price ZAR	Forfeited	Total unvested
L Pouroulis								
9 April 2014	161 052	38.00			53 684	6.30		107 368
30 June 2015			316 770	6.44	–		105 590	211 180
Total	**161 052**		**316 770**		**53 684**		**105 590**	**318 548**
P Pouroulis								
9 April 2014	134 210	38.00			44 737	6.30		89 473
30 June 2015			263 975	6.44	–		87 992	175 983
Total	**134 210**		**263 975**		**44 737**		**87 992**	**265 456**
M Jones								
9 April 2014	120 789	38.00			40 263	6.30		80 526
30 June 2015			237 577	6.44	–		79 192	158 385
Total	**120 789**		**237 577**		**40 263**		**79 192**	**238 911**
Top earner A								
9 April 2014	40 050	38.00			13 350	6.30		26 700
30 June 2015			90 495	6.44	–		30 165	60 330
Total	**40 050**		**90 495**		**13 350**		**30 165**	**87 030**
Top earner B								
9 April 2014	107 368	38.00			35 789	6.30		71 579
30 June 2015			211 180	6.44	–		70 393	140 787
Total	**107 368**		**211 180**		**35 789**		**70 393**	**212 366**
Top earner C								
9 April 2014	107 368	38.00			35 789	6.30		71 579
30 June 2015			211 180	6.44	–		70 393	140 787
Total	**107 368**		**211 180**		**35 789**		**70 393**	**212 366**

Appreciation Rights Director and offer date	As at 30 September 2014 Opening balance	Value at date of award ZAR	As at 30 September 2015 Allocated	Value at date of award ZAR	Vested	Exercised	Total vested but not exercised	Forfeited	Total unvested
L Pouroulis									
9 April 2014	80 526	38.00			40 263		40 263		40 263
30 June 2015			158 385	6.44	–			79 193	79 192
Total	**80 526**		**158 385**		**40 263**		**40 263**	**79 193**	**119 455**
P Pouroulis									
9 April 2014	67 105	38.00			33 553		33 553		33 552
30 June 2015			131 987	6.44	–			65 994	65 993
Total	**67 105**		**131 987**		**33 553**		**33 553**	**65 994**	**99 545**
M Jones									
9 April 2014	60 394	38.00			30 197		30 197		30 197
30 June 2015			118 788	6.44	–			59 394	59 394
Total	**60 394**		**118 788**		**30 197**		**30 197**	**59 394**	**89 591**
Top earner A									
9 April 2014	93 450	38.00			46 725		46 725		46 725
30 June 2015			211 156	6.44	–			105 578	105 578
Total	**93 450**		**211 156**		**46 725**		**46 725**	**105 578**	**152 303**
Top earner B									
9 April 2014	53 684	38.00			26 842		26 842		26 842
30 June 2015			105 590	6.44	–		–	52 795	52 795
Total	**53 684**		**105 590**		**26 842**		**26 842**	**52 795**	**79 637**
Top earner C									
9 April 2014	53 684	38.00			26 842		26 842		26 842
30 June 2015			105 590	6.44	–			52 795	52 795
Total	**53 684**		**105 590**		**26 842**		**26 842**	**52 795**	**79 637**

NON-EXECUTIVE DIRECTORS' REMUNERATION

Non-executive directors are entitled to receive fees for their services as non-executive directors and for membership of Board committees. Non-executive directors' fees are determined by the Board and are payable quarterly in arrears.

Non-executive directors' fees for the year under review are set out below.

Following a benchmarking exercise comparing the Company's non-executive directors' fees with those of medium cap resources companies listed on the JSE and taking into account the rates of inflation in the United Kingdom and Cyprus, the Board agreed to maintain the non-executive directors' fees for the 2016 financial year as follows:

All amounts in US$	FY2015	FY2016
Annual fee	**42 500**	42 500
Committee Chairman	**25 000**	25 000
Committee member	**18 000**	18 000

Non-executive directors' fees for the year under review

All amounts in US$ '000	Annual fee	Audit Committee	Risk Committee	Nomination Committee	Remuneration Committee	Safety, Health and Environment Committee	Other in Group companies	Total 2015	Total 2014
JD Salter	43	18	–	25	18	25	60	**188**	262
A Djakouris	43	25	–	18	25	18	–	**129**	191
I Drapaniotis	43	18	–	–	18	18	–	**97**	132
OM Kamal	43	16*	–	–	–	–	–	**58**	13
B Cheng	32^	–	–	–	–	–	–	**32**	–

* *Appointed to the Audit Committee on 12 November 2014.*

^ *Appointed to the Board on 19 December 2014.*

The Risk Committee comprises all members of the Board and does not carry a fee.

Directors' report

The Board of Directors of Tharisa plc ("the Company") presents to the members its report together with the condensed consolidated financial statements of the Company and its subsidiaries (together with the Company, "the Group") for the year ended 30 September 2015.

PRINCIPAL ACTIVITY

The Company is a Cyprus incorporated public company with a primary listing on the main board of the Johannesburg Stock Exchange The principal activity of the Company is that of an investment holding company with controlling interests in platinum group metals ("PGM") and chrome mining, processing operations and associated sales and logistics operations. The Group operates the Tharisa Mine, a co-producing, open pit PGM and chrome mine located in the Bushveld Complex of South Africa.

FINANCIAL RESULTS

The results of the Group are disclosed in the condensed consolidated statement of profit and loss and other comprehensive income. The profit of the Group for the year before income tax amounted to US$9.6 million (2014: US$40.3 million (loss)). The profit for the year amounted to US$6.0 million (2014: US$54.9 million (loss)). The Board of Directors recommends that the profit for the year be transferred to revenue reserve.

DIVIDENDS

The dividend policy of the Company is to pay a dividend of 10% of consolidated net profit after tax. However, in view of the current commodity prices and the impact thereof on the financial position of the Group and the matter dealt with in note 2(c) (going concern), the Board of Directors does not recommend the payment of any dividends.

SHARE CAPITAL

The authorised share capital of the Company comprises 10 billion ordinary shares of US$0.001 each and 1 051 convertible redeemable preference shares of US$1 each. At 1 October 2014, the issued and fully paid ordinary share capital comprised 254 780 646 ordinary shares. During the year ended 30 September 2015, the Company issued 1 111 240 ordinary shares in respect of the vesting of the first tranche of the Conditional Awards granted during 2014. At 30 September 2015, the issued and fully paid ordinary share capital comprised 255 891 886 ordinary shares and remains unchanged at the date of this report.

MAIN RISKS

The main financial risks faced by the Group are disclosed in note [2(c)] (going concern) and 29 of the consolidated financial statements (refer to the Company's website: www.tharisa.com).

FUTURE DEVELOPMENT

The Board of Directors does not anticipate significant changes in the operations of the Group in the foreseeable future.

BRANCHES

During the year the Group did not operate any branches.

BOARD OF DIRECTORS

The members of the Company's Board as at 30 September 2015 and as at date of this report are:

Loucas Christos Pouroulis	*Executive Chairman*
Phoevos Pouroulis	*Chief Executive Officer*
Michael Gifford Jones	*Chief Finance Officer*
John David Salter	*Lead independent non-executive director*
Ioannis Drapaniotis	*Independent non-executive director*
Antonios Djakouris	*Independent non-executive director*
Omar Marwan Kamal	*Independent non-executive director*
Brian Chi Ming Cheng	*Non-executive director*
Joanna Ka Ki Cheng	*Alternate non-executive director to Brian Chi Ming Cheng*

JOINT COMPANY SECRETARIES

Lysandros Lysandrides and Sanet de Witt serve as Joint Company Secretaries. The Board of Directors formally assessed and considered the performance and qualifications of the Company Secretaries and is satisfied that they are competent, suitably qualified and experienced. They are not directors of the Company, nor are they related or connected to any of the directors and the Board of Directors is satisfied that they maintain an arm's length relationship with the board of directors. Their contact details are as follows:

Lysandros Lysandrides	**Sanet de Witt**
26 Vyronos Avenue	Eland House, The Braes
1096, Nicosia	3 Eaton Avenue
Cyprus	Bryanston, 2191
	South Africa

EVENTS AFTER THE REPORTING PERIOD

Subsequent to the financial year end, Tharisa Minerals terminated the services of a mining contractor based on non-performance and instituted proceedings to recover damages arising from the non-performance. The contractor has, as a consequence of the termination of the contract, instituted legal proceedings against the subsidiary claiming unlawful dispossession of the mine or alternatively those parts of the mine which it was working at the time of termination. The Board of Directors of Tharisa Minerals has taken legal advice and, based on the advice received, is of the view that the mining contractor's case has no merit and Tharisa Minerals will defend itself against any action taken against it.

The terms of the senior debt facility require the completion of technical tests by 28 November 2015. The tests commenced on 1 August 2015. As a consequence of certain stoppages as instructed by the South African Department of Mineral Resources in terms of the Mine Health and Safety Act, Tharisa Minerals was not in a position to complete the technical tests and the tests were halted on 28 October 2015. The senior debt providers have extended the date by which the technical tests need to be completed to 28 November 2016.

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

INDEPENDENT AUDITORS

The independent auditors, KPMG Limited, have expressed their willingness to continue in office and a resolution fixing their remuneration will be submitted at the Annual General Meeting.

On behalf of the Board of Directors

Phoevos Pouroulis **Michael Gifford Jones**

7 December 2015

Report of the Audit Committee

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

FINANCIAL STATEMENTS

- Reviewed financial reports, including the interim financial statements and Annual Financial Statements
- Reviewed the accounting policies and procedures adopted by the Group and ensured that financial statements were prepared based on appropriate accounting policies and in accordance with IFRS, the Cyprus Companies Law and the JSE Listings Requirements
- Considered the going concern as the basis of preparation of the interim and Annual Financial Statements.

EXTERNAL AUDITOR

- Considered and approved the terms of engagement, scope of the external audit and audit fees
- Reviewed audit findings and management's response thereto
- Monitored the extent of cooperation between external and internal auditors
- Considered the nature and extent of the non-audit services that may be provided by the external auditors and pre-approved the provision of non-audit services on the basis that the provision of these services does not affect the independence of the external auditor
- Discussed with the external auditors their opinion of the level of ethical conduct of the Group, its executives and senior managers
- Held separate meetings with management and the external auditors
- Reiterated the external auditors' right to direct access to the chairman of the Audit Committee and the chairman of the Board
- Evaluated the independence, effectiveness and performance of the external auditors
- Nominated KPMG for reappointment as external auditors.

INTERNAL AUDIT

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

CHIEF FINANCE OFFICER

- Reviewed the performance, qualifications and expertise of Michael Jones, the Chief Finance Officer, and is satisfied as to his suitability to act as Chief Finance Officer of the Company and the Group.

OTHER

- Considered the adequacy of financial controls, risk management systems and information technology risks relating to financial reporting
- Confirmed the adequacy of the Group's whistleblowing arrangements and policies and procedures for preventing corrupt behaviour and detecting fraud and bribery
- Conducted a self-evaluation to establish whether the Audit Committee operated effectively and identified areas for improvement.

The Chairman of the Audit Committee reported to the Board after each meeting of the Audit Committee.

On recommendation of the Audit Committee, the Board approved:

- The Annual Financial Statements for the year ended 30 September 2015
- The Annual Report for the year ended 30 September 2015, and
- The Notice of the Annual General Meeting to be held on 25 February 2016.

For more information on the composition and responsibilities of the Audit Committee, please refer to page 35.

A Djakouris
Chairman of the Audit Committee

7 December 2015

Condensed consolidated financial statements

Full audited financial statements and audit report are available online at www.tharisa.com

Preparation of condensed consolidated financial statements

The condensed consolidated financial statements for the year ended 30 September 2015 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 statements should be read together with the full audited financial statements and full audit report.

These condensed 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.

While the consolidated financial statements have been reported on without qualification by KPMG Limited, an emphasis of matter paragraph is contained within the audit report drawing shareholders' attention to the disclosure on "going concern", which is set out in note 2 to these condensed results.

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 3 December 2015.

Consolidated statement of profit or loss and other comprehensive income

for the year ended 30 September 2015

	Notes	30 Sep 2015 US$'000	30 Sep 2014 US$'000
Revenue	4	**246 782**	240 731
Cost of sales	4	**(203 692)**	(208 119)
Gross profit		**43 090**	32 612
Other income		**42**	149
Administrative expenses	5	**(24 777)**	(26 908)
Results from operating activities		**18 355**	5 853
Finance income		**1 185**	897
Finance costs		**(11 855)**	(13 996)
Changes in fair value of financial assets at fair value through profit or loss		**(25)**	(659)
Changes in fair value of financial liabilities at fair value through profit or loss		**1 972**	(32 420)
Net finance costs		**(8 723)**	(46 178)
Profit/(loss) before tax		**9 632**	(40 325)
Tax	6	**(3 617)**	(14 548)
Profit/(loss) for the year		**6 015**	(54 873)
Other comprehensive income			
Items that may be classified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations, net of tax		**(39 399)**	(21 162)
Other comprehensive income, net of tax		**(39 399)**	(21 162)
Total comprehensive income for the year		**(33 384)**	(76 035)
Profit/(loss) for the year attributable to:			
Owners of the Company		**4 623**	(48 997)
Non-controlling interests		**1 392**	(5 876)
		6 015	(54 873)
Total comprehensive income for the year attributable to:			
Owners of the Company		**(24 721)**	(66 188)
Non-controlling interests		**(8 663)**	(9 847)
		(33 384)	(76 035)
Basic and diluted earnings per share (US$ cents)	7	**2**	(20)
Headline and diluted headline earnings per share (US$ cents)	7	**2**	(20)

The notes on pages 57 to 64 are an integral part of these financial statements.

Consolidated statement of financial position

as at 30 September 2015

	Note	30 Sep 2015 US$'000	30 Sep 2014 US$'000
Assets			
Property, plant and equipment	8	**214 518**	253 356
Goodwill		**919**	1 211
Other financial assets		**1 636**	5 008
Long term deposits	9	**10 656**	14 479
Deferred tax assets	10	**1 954**	5 970
Non current assets		**229 683**	280 024
Inventories	11	**8 951**	14 567
Trade and other receivables		**37 979**	32 515
Other financial assets		**55**	442
Current taxation		**144**	3
Cash and cash equivalents	12	**24 265**	19 629
Current assets		**71 394**	67 156
Total assets		**301 077**	347 180
Equity			
Share capital	13	**256**	255
Share premium	13	**452 512**	452 363
Other reserve	13	**47 245**	47 245
Foreign currency translation reserve	13	**(76 705)**	(47 361)
Revenue reserve	13	**(206 566)**	(216 596)
Equity attributable to owners of the Company		**216 742**	235 906
Non-controlling interests	13	**(37 794)**	(26 052)
Total equity		**178 948**	209 854
Liabilities			
Provisions		**4 088**	4 452
Borrowings	14	**36 329**	64 223
Deferred tax liabilities	10	**13**	20
Non current liabilities		**40 430**	68 695
Borrowings	14	**33 692**	30 986
Other financial liabilities		**388**	–
Current taxation		**98**	421
Trade and other payables		**47 521**	37 224
Current liabilities		**81 699**	68 631
Total liabilities		**122 129**	137 326
Total equity and liabilities		**301 077**	347 180

The consolidated financial statements were authorised for issue by the board of directors on 3 December 2015.

P Pouroulis
Director

MG Jones
Director

The notes on pages 57 to 64 are an integral part of these financial statements.

Consolidated statement of changes in equity
for the year ended 30 September 2015

	Attributable to owners of the Company	
	Share capital US$'000	Share premium US$'000
Balance at 1 October 2013	**6**	**113 342**
Total comprehensive income for the year		
Loss for the year	–	–
Other comprehensive income:		
Foreign currency translation differences	–	–
Total comprehensive income for the year	**–**	**–**
Transactions with owners of the Company		
Share issue expenses	–	(1 416)
Equity-settled share based payments	–	–
Issue of ordinary shares for cash	13	47 847
Issue of ordinary shares to employees resulting from share grants	–	115
Issue of ordinary shares from bonus issue	154	(154)
Issue of ordinary shares from conversion of redeemable convertible preference shares	82	292 629
Contribution by owners of the Company	**249**	**339 021**
Total transactions with owners of the Company	**249**	**339 021**
Balance at 1 October 2014	**255**	**452 363**
Total comprehensive income for the year		
Profit for the year	–	–
Other comprehensive income:		
Foreign currency translation differences	–	–
Total comprehensive income for the year	**–**	**–**
Transactions with owners of the Company		
Reclassification of non-controlling interest	–	–
Equity-settled share based payments	–	–
Issue of ordinary shares	1	149
Contributions by owners of the Company	**1**	**149**
Total transactions with owners of the Company	**1**	**149**
Balance at 30 September 2015	**256**	**452 512**

The notes on pages 57 to 64 are an integral part of these financial statements.

Attributable to owners of the Company					
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
47 245	**(30 170)**	**(167 859)**	**(37 436)**	**(16 205)**	**(53 641)**
–	–	(48 997)	(48 997)	(5 876)	(54 873)
–	(17 191)	–	(17 191)	(3 971)	(21 162)
–	**(17 191)**	**(48 997)**	**(66 188)**	**(9 847)**	**(76 035)**
–	–	–	(1 416)	–	(1 416)
–	–	260	260	–	260
–	–	–	47 860	–	47 860
–	–	–	115	–	115
–	–	–	–	–	–
–	–	–	292 711	–	292 711
–	**–**	**260**	**339 530**	**–**	**339 530**
–	**–**	**260**	**339 530**	**–**	**339 530**
47 245	**(47 361)**	**(216 596)**	**235 906**	**(26 052)**	**209 854**
–	–	4 623	4 623	1 392	6 015
–	(29 344)	–	(29 344)	(10 055)	(39 399)
–	**(29 344)**	**4 623**	**(24 721)**	**(8 663)**	**(33 384)**
–	–	3 079	3 079	(3 079)	–
–	–	2 317	2 317	–	2 317
–	–	11	161	–	161
–	**–**	**5 407**	**5 557**	**(3 079)**	**2 478**
–	**–**	**5 407**	**5 557**	**(3 079)**	**2 478**
47 245	**(76 705)**	**(206 566)**	**216 742**	**(37 794)**	**178 948**

Consolidated statement of cash flows

for the year ended 30 September 2015

	30 Sep 2015 US$'000	30 Sep 2014 US$'000
Cash flows from operating activities		
Profit/(loss) for the year	6 015	(54 873)
Adjustments for:		
Depreciation of property, plant and equipment	10 256	10 764
Write off of property, plant and equipment	–	25
Impairment losses on property, plant and equipment	3	–
Impairment losses on goodwill	63	72
Impairment losses on inventory	217	1 195
Impairment losses on other financial assets	27	–
Changes in fair value of financial liabilities at fair value through profit and loss	(1 972)	32 420
Changes in fair value of financial assets at fair value through profit and loss	25	659
Interest income	(777)	(897)
Interest expense	11 754	13 400
Tax	3 617	14 548
Equity-settled share based payments	3 157	389
	32 385	17 702
Changes in:		
Inventories	5 811	8 144
Trade and other receivables	(5 464)	(3 392)
Trade and other payables	10 296	996
Provisions	(777)	(152)
Cash from operations	42 251	23 298
Income tax paid	(847)	(942)
Net cash flows from operating activities	41 404	22 356
Cash flows from investing activities		
Interest received	669	699
Additions to property, plant and equipment	(24 591)	(24 289)
Proceeds from disposal of property, plant and equipment	3	37
Refunds of/(additions to) other financial assets	2 702	(1 606)
Net cash flows used in investing activities	(21 217)	(25 159)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	–	47 860
Refund/(establishment) of long term deposits	2 367	(6 771)
Proceeds from/(repayment of) bank credit and other facility borrowings	7 523	(2 835)
Net proceeds from obligations under new loan	146	–
Repayment of secured bank borrowings and loan to third party	(27 267)	(30 989)
Interest paid	(1 134)	(349)
Redemption of Class B preference shares	–	(6 818)
Share issue expenses capitalised to share premium	–	(1 416)
Net cash flows used in financing activities	(18 365)	(1 318)
Net increase/(decrease) in cash and cash equivalents	1 822	(4 121)
Cash and cash equivalents at the beginning of the year	19 629	28 017
Effect of exchange rate fluctuations on cash held	2 814	(4 267)
Cash and cash equivalents at the end of the year	24 265	19 629

The notes on pages 57 to 64 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 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 financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), International Accounting Standards, IAS 34 *Interim Financial Reporting*, the Listings Requirements of the Johannesburg Stock Exchange and the Cyprus Companies Law, Cap. 113. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last consolidated financial statements as at and for the year ended 30 September 2014. 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 3 December 2015.

b 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 2014.

c Going concern basis

Notwithstanding that the Group made a profit for the year ended 30 September 2015 of US$6.0 million (2014: US$54.9 million (loss)) as at that date its current liabilities exceeded its current assets by US$10.3 million (2014: US$1.5 million).

Based on the commodity prices prevailing at the financial year end, the short term 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. However, subsequent to the financial year end, global commodity prices weakened significantly and the weakening of the South African Rand against the US$ has been insufficient to off-set the weakened commodity prices. Based on current commodity spot prices and US$ exchange rate, the short term cash flow forecasts reflect a shortfall in cash. Should the current depressed commodity prices persist beyond the near term and/or should forecast production not be achieved, the Group will need to source additional cash to fund its operations. The operations are, in part, funded through chrome pre-pay transactions and it is the intention of the Group to continue with these arrangements. In addition, the Group may secure a further working capital facility or the Company may undertake a placement of shares to provide this funding should this be required. In addition, the Group is reviewing its cost structure in order to reduce operating costs.

The financial statements continue to be prepared on the going concern basis. In the event that the weakened commodity prices persist, forecast production is not achieved and the Group is unable to raise further funding, a material uncertainty will exist which may cast significant doubt on the ability of the Group to continue as a going concern and, therefore, it may be unable to realise its assets and settle its liabilities in the normal course of business.

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. 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 2014. The Board of Directors is currently evaluating the impact of these on the Group.

2. BASIS OF PREPARATION (CONTINUED)

Standards and Interpretations

- IAS 1 (Amendments) *Disclosure Initiative* (effective for annual periods beginning on or after 1 January 2016).
- IAS 27 (Amendments) *Equity method in Separate Financial Statements* (effective for annual periods beginning on or after 1 January 2016).
- IFRS 9 *Financial Instruments* (effective the latest as from the commencement date of the first annual period beginning on or after 1 January 2018).
- IFRS 10, IFRS 12, and IAS 28 (Amendments) *Investment Entities: Applying the Consolidation Exception* (effective for annual periods beginning on or after 1 January 2016).
- IFRS 14 *Regulatory Deferral Accounts* (effective the latest as from the commencement date of the first annual period beginning on or after 1 January 2016).
- IFRS 15 *Revenue from Contracts with Customers* (effective for annual periods beginning on or after 1 January 2018).
- Annual Improvements to IFRSs 2012 – 2014 Cycle (effective the latest as from the commencement date of the first annual period beginning on or after 1 January 2016).
- IAS 10 and IAS 28 (Amendments) *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective for annual periods beginning on or after 1 January 2016).
- IAS 16 and IAS 41 (Amendments) *Bearer Plants* (effective for annual periods beginning on or after 1 January 2016).

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 2014.

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.

30 September 2015	PGM US$'000	Chrome US$'000	Total US$'000
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**
30 September 2014			
Revenue	70 365	170 366	240 731
Cost of sales			
Cost of sales excluding selling costs	(53 347)	(91 893)	(145 240)
Selling costs	(138)	(62 741)	(62 879)
	(53 485)	(154 634)	(208 119)
Gross profit	16 880	15 732	32 612

The overhead costs relating to the manufacturing of the PGM and the chrome concentrates are allocated to the relevant products based on the relative sales value per product. The allocated percentage for PGM concentrate and chrome concentrates accounted for this financial year is 50% for each segment. The allocated percentage for PGM concentrate and chrome concentrates accounted for in the previous financial year was 40% and 60% respectively.

Geographical information

The following table sets out information about the geographical location of the Group's (i) revenue from external customers, and (ii) 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.

	30 Sep 2015 US$'000	30 Sep 2014 US$'000
Revenue from external customers		
China	**65 432**	71 136
South Africa	**95 038**	94 187
Singapore	**7 927**	27 220
Hong Kong	**55 175**	37 653
South Korea	**10 673**	–
Other countries	**12 537**	10 535
	246 782	240 731

Revenue represents the sales value of goods supplied to customers, net of value-added tax. The Group had one customer with whom transactions have individually exceeded 10% of the Group's revenues. Revenue from the largest customer of the Group represented approximately US$82.9 million and US$70.2 million for each of the financial years ended 30 September 2015 and 30 September 2014 respectively and relates to revenues of the PGM segment. Revenue from the second largest customer of the Group represented approximately US$15.1 million and US$24.5 million for each of the financial years ended 30 September 2015 and 30 September 2014 respectively and relates to revenues of the chrome segment.

	30 Sep 2015 US$'000	30 Sep 2014 US$'000
Specified non-current assets		
South Africa	**215 430**	254 547
Cyprus	**5**	14
China	**2**	6
	215 437	254 567

	30 Sep 2015 US$'000	30 Sep 2014 US$'000
5. ADMINISTRATIVE EXPENSES		
Directors and staff costs		
Non-executive directors	504	598
Executive directors	1 396	1 498
Other key management	1 000	1 135
Group employees	9 114	10 980
	12 014	14 211
Audit	488	505
Consulting	2 207	1 157
Corporate social investment	309	475
Depreciation	255	365
Discount facility and related fees	366	85
Equity-settled share based expense	3 157	389
Fees for the professional services of the listing	–	2 610
Health and safety	167	43
Impairment losses on property, plant and equipment	3	–
Insurance	856	623
Legal and professional	414	488
Rent and utilities	867	1 624
Security	608	698
Telecommunications and IT related	581	617
Training	420	116
Travelling and accommodation	580	767
Sundry expenses	1 485	2 135
	24 777	26 908

During the year ended 30 September 2015, the Group realised a net gain on disposal of US$376 (2014: US$ Nil) of property, plant and equipment.

	30 Sep 2015 US$'000	30 Sep 2014 US$'000
6. TAX		
Corporate income tax for the year		
Cyprus	240	765
South Africa	143	300
Special contribution for defence in Cyprus for the year	3	1
Deferred tax		
Origination and reversal of temporary differences	3 231	13 482
Tax charge	3 617	14 548

7. EARNINGS PER SHARE

i. Basic and diluted earnings per share

The calculation of basic and diluted earnings per share was based on the profit/(loss) attributable to the ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding.

	30 Sep 2015 US$'000	30 Sep 2014 US$'000
Profit/(loss) for the year attributable to ordinary shareholders	4 623	(48 997)
Weighted average number of ordinary shares at 30 September ('000)	255 076	247 879
Basic and diluted earnings per share (US$ cents)	2	(20)

At 30 September 2014, for the purposes of calculating basic and diluted earnings 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 if it had occurred at the beginning of the earliest period presented.

At 30 September 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 purpose 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 earnings per share

	30 Sep 2015 US$'000	30 Sep 2014 US$'000
Headline earnings for the year attributable to ordinary shareholders	4 688	(48 925)
Weighted average number of ordinary shares at 30 September ('000)	255 076	247 879
Basic and diluted headline earnings per share (US$ cents)	2	(20)
Reconciliation of profit/loss to headline earnings		
Profit/(loss) attributable to ordinary shareholders of the Company	4 623	(48 997)
Adjustments:		
Impairment losses on goodwill	63	72
Impairment losses on property, plant and equipment	2	–
Headline earnings	4 688	(48 925)

	30 Sep 2015 US$'000	30 Sep 2014 US$'000
8. PROPERTY, PLANT AND EQUIPMENT		
Total cost	**243 931**	278 838
Total accumulated depreciation	**(29 413)**	(25 482)
Net book value	**214 518**	253 356
Reconciliation of net book value		
Opening net book value	**253 356**	269 130
Additions	**24 591**	24 289
Net disposals	**(7)**	(36)
Depreciation	**(10 256)**	(10 764)
Exchange adjustment on translation	**(53 166)**	(29 263)
Closing net book value	**214 518**	253 356

Capital commitments

At 30 September 2015 the Group's capital commitments for contracts to purchase property, plant and equipment amounted to US$1.4 million (30 September 2014: US$4.4 million).

Securities

At 30 September 2015 an amount of US$196.4 million (30 September 2014: US$228.4 million) of the carrying amount of the Group's tangible property, plant and equipment was pledged as security against secured bank borrowings.

	30 Sep 2015 US$'000	30 Sep 2014 US$'000
9. LONG TERM DEPOSITS		
Restricted cash	**10 656**	14 479

The restricted cash is designated as a "debt service reserve account" as required by the terms of the secured bank borrowings.

10. DEFERRED TAX

In the prior year, the Group derecognised a portion of the deferred tax asset relating to exchange losses on the intergroup preference share funding arrangements due to the cash flow projections in the prior year which indicated that the earliest redemption date of the preference shares was unlikely to be in the near term. The determination of the deductibility of the exchange losses on the preference shares will only be finally determined on the redemption of the preference shares and in the light of this uncertainty, management have decided to treat these differences as non deductible until such time as the preference share liability is settled and the final determination on the deductibility of the realised losses at that date have been determined.

In assessing the recoverability of the deferred tax recognised, management is satisfied that the subsidiary in South Africa that substantially all the deferred tax assets relate to, will generate sufficient taxable income against which the recognised deferred tax asset on the tax losses and deductive temporary differences can be utilised.

	30 Sep 2015 US$'000	30 Sep 2014 US$'000
11. INVENTORIES		
Finished products	**4 283**	6 891
Ore stockpile	**1 257**	1 517
Work in progress	**195**	3 011
Consumables	**3 216**	3 148
	8 951	14 567

During the year, a provision for obsolescence of US$0.1 million (2014: US$ Nil) was recognised as an expense and an amount of US$0.1 million (2014: US$1.2 million), which represents the net realisable value write down for the period included in cost sales. For the year ended 30 September 2015, inventories of US$0.1 million were written down to net realisable value (2014: US$2.9 million).

Inventories have a general notarial bond in favour of the lenders of the secured bank borrowings.

	30 Sep 2015 US$'000	30 Sep 2014 US$'000
12. CASH AND CASH EQUIVALENTS		
Bank balances	**24 005**	19 370
Call deposits	**260**	259
	24 265	19 629

US$4.4 million (30 September 2014: US$4.8 million) was provided as security for certain credit facilities and bank guarantees of the Group.

13. SHARE CAPITAL AND RESERVES

During the year ended 30 September 2015, 1 111 240 ordinary shares were issued and allotted in terms of the Group's share award scheme for 2014 which was the vesting of the first tranche of the Conditional Awards granted on 9 April 2014.

The issued and fully paid share capital of the Company at 30 September 2015 consisted of 255 891 886 ordinary shares of US$0.001 each (30 September 2014: 254 780 646 ordinary shares of US$0.001 each).

During the year ended 30 September 2015, the Company reassessed its interpretation and application of IFRS10: *Consolidated Financial Statements*. Consequently the treatment of the 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 reserve.

	30 Sep 2015 US$'000	30 Sep 2014 US$'000
14. BORROWINGS		
Non-current		
Secured bank borrowing	**36 329**	63 333
Other borrowings	**–**	890
	36 329	64 223
Current		
Secured bank borrowing	**14 346**	17 899
Other borrowings	**19 346**	13 087
	33 692	30 986

During the year the Group settled a loan payable to a third party in full and obtained a new loan to the amount of ZAR13.3 million. Except for the above, there have been no changes in the terms, securities and financial covenants of the above borrowing facilities during the year ended 30 September 2015.

	30 Sep 2015 US$'000	30 Sep 2014 US$'000
15. FINANCIAL INSTRUMENTS		
Financial assets – carrying amount		
Loans and receivables	**34 351**	27 734
Financial instruments at fair value through profit and loss	**1 691**	5 450
	36 042	33 184
Financial liabilities – carrying amount		
Financial liabilities at amortised cost:		
Borrowings	**70 021**	95 209
Trade payables and commitments	**31 915**	25 998
Discount facility	**388**	–
Income received in advance	**8 348**	3 409
Other payables	**5 679**	5 899
	116 351	130 515

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

	30 Sep 2015 US$'000	30 Sep 2014 US$'000
16. RELATED PARTY TRANSACTIONS		
Key management compensation		
Non-executive directors' remuneration	**504**	598
Executive directors' remuneration	**1 396**	1 498
Other key management remuneration	**1 000**	1 135
	2 900	3 231

	30 Sep 2015 US$'000	30 Sep 2014 US$'000
17. COMPARATIVE FIGURES		
The Group made certain reclassifications to the comparative period:		
Consolidated statement of profit or loss and other comprehensive income:		
Cost of sales	–	(1 304)
Administrative expenses	–	1 304
Consolidated statement of financial position: Trade and other payables		
Trade payables – third parties	–	(3 409)
Income received in advance	–	3 409

18. CONTINGENT LIABILITY

During the year ended 30 September 2015, 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. The matter is subject to the contractual arbitration proceedings agreed between the parties. The shareholder has as yet not invoked the arbitration proceedings.

19. SUBSEQUENT EVENTS

Subsequent to the financial year end, Tharisa Minerals terminated the services of a mining contractor based on non-performance and instituted proceedings to recover damages arising from the non-performance. The contractor has, as a consequence of the termination of the contract, instituted legal proceedings against Tharisa Minerals claiming unlawful dispossession of the mine or alternatively those parts of the mine which it was working at the time of termination. Tharisa Minerals has taken legal advice and, based on the advice received, is of the view that the mining contractor's case has no merit and Tharisa Minerals will defend itself against any action taken against it.

The terms of the senior debt facility require the completion of technical tests by 28 November 2015. The tests commenced on 1 August 2015. As a consequences of certain stoppages as instructed by the South African Department of Mineral Resources in terms of the Mine Health and Safety Act, Tharisa Minerals was not in a position to complete the technical tests and the tests were halted on 28 October 2015. The senior debt providers have extended the date by which the technical tests need to be completed to 28 November 2016.

Other than the matters referred to above, the Board of Directors is 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 were declared in respect for the financial year ended 30 September 2015 (30 September 2014: no dividends).

Glossary of abbreviations, definitions and technical terms

In this Annual Report, unless otherwise indicated, the words in the first column have the meanings stated opposite them in the second column, words in the singular include the plural and vice versa, words denoting one gender include the other, and words denoting natural persons include juristic persons and associations of persons and vice versa.

4E	platinum group metals comprising platinum, palladium, rhodium and gold;
5PGE + Au	platinum group metals comprising platinum, palladium, rhodium, ruthenium, iridium and gold;
6E	platinum group metals comprising platinum, palladium, rhodium, ruthenium, iridium and gold;
6PGE + Au	5PGE plus osmium;
Au	gold;
BEE	Black Economic Empowerment, as defined in the MPRDA and "Broad-based Socio-economic Empowerment" as defined in the Mining Charter;
Bushveld Complex	a major intrusive igneous body in the northern part of South Africa, that has undergone remarkable magmatic differentiation, and is the leading source of PGMs and Chromium;
certificated shares	shares which are held and represented by a share certificate or other tangible document of title, which shares have not been dematerialised in terms of the requirements of Strate;
Challenger or Challenger Plant	the integrated beneficiation plant adjacent to the Genesis Plant, for the production of chemical and foundry-grade concentrate, owned by Arxo Metals;
Charter Scorecard	the Scorecard for the Mining Charter published pursuant to section 100(2)(a) of the MPRDA under Government Gazette No. 26661 of 13 August 2004, as amended by General Notice 838 of 20 September 2010;
chemical grade concentrate	the main ingredient in the production of chrome chemicals. The critical specifications are a minimum of 45% Cr_2O_3, and a maximum of 1.28% SiO_2;
chrome	used to reference any form of chromium, Cr or chrome concentrate;
chrome concentrate	any combination of chemical, foundry and/or metallurgical-grade concentrate with a predominance of metallurgical-grade concentrate;
chrome alloys	a chrome alloy produced directly through smelting using carbon as a reducing agent in the presence of fluxes, which alloy is used as primary raw material in the production of stainless steel;
chrome yield	chrome yield is the quantity of product produced, expressed as a percentage of the feed to the process;
chromite	a hard, black, refractory chromium-spinel mineral consisting of varying proportions of the oxides of iron, chromium, aluminium and magnesium;
chromitite	a rock composed essentially of chromite, that typically occurs as layers or irregular masses exclusively associated with magmatic complexes. The bulk of the world's exploitable chromitite occurs almost exclusively in layered complexes;
chromitite layers	thick accumulations of chromite grains to form monomineralic bands or layers, which chromitite layers are typically greater than 30cm thick;
chromium or Cr	the element chromium (Cr) is classified as a metal and is situated between other metals such as vanadium (V), manganese (Mn) and molybdenum (Mo) in the Periodic Table of Elements;
CIF	cost, insurance and freight as defined in Incoterms 2010;
cm	centimetres;
Competent Person's Report or CPR	a report compiled by independent Competent Persons relating to the technical aspects of a mine that may include a techno-financial model;
Cr_2O_3	chromium (III) oxide;
CSDP Markets Act	a Central Securities Depository Participant as defined in section 1 of the Financial Markets Act;
Cyprus Companies Law	Companies Law, chapter 113 of the laws of Cyprus, as amended, supplemented or otherwise modified from time to time;
dematerialise, dematerialised or dematerialisation	the process by which physical share certificates are replaced with electronic records of ownership in accordance with the rules of Strate;
dematerialised shares	shares which are held in electronic form as uncertificated securities in accordance with the requirements of Strate;

DMR	the South African Department of Mineral Resources;
EIA	environmental impact assessment;
EMP	the environmental management plan in terms of the MPRDA;
Equator Principles	the set of voluntary guidelines adopted and interpreted in accordance with International Finance Corporate Performance Standards and the World Banks EHS guidelines, adopted by Equator Principle Financial Institutions, as updated from time to time;
FCA	Free Carrier – a trade term requiring the seller to deliver goods to the carrier or another person nominated by the buyer at the seller's premises or another named place. Costs for transportation and risk of loss transfer to the buyer after delivery to the carrier;
foundry grade	concentrate saleable chromium-rich product, typically more than 45% Cr_2O_3, less than 1% SiO_2 and a specific particle size distribution;
g/t	grams per tonne;
Genesis or Genesis Plant	the 100 ktpm nameplate capacity processing plant for the production of PGM and chrome concentrate, owned by Tharisa Minerals;
HDSA	Historically Disadvantaged South Africans as defined in the MPRDA and the Mining Charter;
IFRS	International Financial Reporting Standards;
Impala Refining Services	Impala Refining Services Limited, a 100% owned subsidiary of Impala Platinum Holdings Limited;
Incoterms 2010	the Incoterms rules are a series of pre-defined commercial terms published by the International Chamber of Commerce that are widely used in international commercial transactions or procurement processes;
Indicated Mineral Resource	an Indicated Mineral Resource is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics and mineral content can be estimated with a reasonable level of confidence. Designating a resource as Indicated is based on information from exploration, sampling and testing of material gathered from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological or grade continuity but are spaced close enough for continuity to be assumed;
Inferred Mineral Resource	an Inferred Mineral Resource is that part of a Mineral Resource for which volume or tonnage, grade and mineral content can be estimated with only a low level of confidence. It is inferred from geological evidence and sample and assumed but not verified geologically or through analysis of grade continuity. Designating a Mineral Resource "Inferred" is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that may be limited in scope or of uncertain quality and reliability;
Investec Bank	Investec Bank Limited (Registration number 1969/004763/06), a public company duly registered and incorporated in South Africa;
JSE or Johannesburg Stock Exchange	JSE Limited (Registration number 2005/022939/06), a public company duly registered and incorporated in South Africa and licensed in terms of the Financial Markets Act, No 19 of 2012;
King III	the King Code of Governance Principles for South Africa, 2009 (King Code) and the King Report on Governance for South Africa, 2009 (King Report) as amended from time to time;
km	1 000 metres;
koz	1 000 ounces;
kt	1 000 tonnes;
Listing	the primary listing of Tharisa, a foreign registered company, in the "General Mining" sector of the Main Board of the JSE under the abbreviated name "Tharisa", JSE code "THA" and ISIN CY0103562118;
JSE Listings Requirements	the Listings Requirements of the JSE, as amended from time to time;
LOM	life of mine, being the expected remaining years of production based on production rates and ore Mineral Reserves;
LTI	lost time injury resulting in the injured being unable to attend/return to work to perform the full duties of his/her regular work, as per advice of a suitably qualified medical professional, on the next calendar day after the injury;
LTIFR	lost time injury frequency rate, the number of lost time injuries per 200 000 hours worked;

Measured Mineral Resource	a Measured Mineral Resource is that part of a Mineral Resource for which the tonnage, densities, physical characteristics, grade and mineral content can be estimated with a high level of confidence. Describing a resource as "Measured" is based on detailed and reliable information from exploration, sampling and testing of material from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity;
metallurgical grade concentrate	saleable chromium-rich product typically of 42% Cr_2O_3;
MG0	chromitite layer that consists of chromitite dissemination with more chromitite layers and stringers, that are developed in the footwall pyroxenite of the MG1 chromitite layer;
MG1	chromitite layer that typically has a massive chromitite content with minor feldspathic pyroxenite partings or layering. In some areas the MG1 chromitite layer has developed into two chromitite layers separated by a feldspathic pyroxenite;
MG2	chromitite layer that consists of three groupings of chromitite layers which from the base which are the MG2A chromitite layer, MG2B chromitite layer and the MG2C chromitite layer. The partings are typically feldspathic pyroxenite. The parting between the MG2B chromitite layer and MG2C chromitite layer includes a platiniferous chromitite stringer;
MG3	chromitite layer that is occasionally a massive chromitite layer but more often a very irregular assemblage of chromitite layers and stringers within a norite and/or thosite. The top of the package typically consists of thin chromitite stringers and dissemination of chromite in norite which develops into a massive layer at the base;
MG4	the MG4 chromitite layer consists of a lower chromitite (MG4(0) chromitite layer) (approximately 0.6m thick) immediately overlain by a norite (approximately 0.85m thick) followed by the chromitite layer of the MG4 chromitite layer (approximately 1.8m thick), overlain by another parting, of feldspathic pyroxenite composition, some 3.2m thick and finally overlain by the chromitite of the MG4A chromitite layer (approximately 1.5m thick);
MG4A	the MG4A chromitite layer consists of a number of chromitite layers within a pyroxenite host rock;
MG chromitite layers	group of five chromite layers that are known in the lower and upper Critical Zone of the Bushveld Complex;
Mineral Reserve	the economically mineable material derived from a measured or indicated Mineral Resource or both, which includes diluting and contaminating materials and allows for losses that are expected to occur when the material is mined. Appropriate assessments to a minimum of a pre-feasibility study for a project and a LOM plan for an operation must have been completed, including consideration of, and modification by, realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors (the modifying factors);
Mineral Resource	a concentration or occurrence of material of economic interest in or on the earth's crust in such form, quality and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, or estimated from specific geological evidence, sampling and knowledge interpreted from an appropriately constrained and portrayed geological model. Mineral Resources are subdivided, and must be so reported, in order of increasing confidence in respect of geoscientific evidence, into Inferred, Indicated or Measured categories;
Mining Charter	the Broad-based Socio-economic Empowerment Charter for the South African Mining Industry (together with the Charter Scorecard), published pursuant to section 100(2)(a) of the MPRDA under Government Gazette No 26661 of 13 August 2004 and thereafter amended by General Notice 838 of 20 September 2010;
Mining Right	a new order mining right, granted by the DMR in terms of the MPRDA, which provides the holder thereof the required legal title to mine;
MPRDA	the South African Mineral and Petroleum Resources Development Act, No 28 of 2002, as amended;
Mt	million tonnes;
Mtpa	million tonnes per annum;
Noble	Noble Resources International PTE Limited, (Registration number 201115304N), a company duly registered and incorporated in Singapore;
NUM	the National Union of Mineworkers;
oz	a troy ounce which is exactly 31.1034768 grams;

ozpa	oz per annum;
pa	per annum;
PGMs	platinum group metals being platinum, palladium, rhodium, ruthenium, iridium, and osmium;
PGM concentrate	the commercially acceptable flotation concentrate containing PGMs;
prill split	a breakdown by mass of the various PGM metals contained in PGM-containing materials;
Prospecting Right	a prospecting right granted by the DMR in terms of the MPRDA;
Rand York Minerals	Rand York Minerals Proprietary Limited (Registration number 1985/004951/07), a private company duly registered and incorporated in South Africa;
reef	in the context of this Annual Report, reef refers to any or all of the MG and UG chromitite layers;
ROM	run of mine, being the ore tonnage extracted to be processed;
SAMREC Code	the South African Code for Reporting of Exploration Results, Mineral Resources and Reserves (prepared by the South African Mineral Resource Committee (SAMREC) Working Group) (2007 and as amended in 2009);
SAMVAL Code	the South African Code for the Reporting of Mineral Asset Valuation (2008) (as amended in July 2009) prepared by the South African Mineral Asset Valuation Committee (SAMVAL) Working Group;
SENS	the Stock Exchange News Service of the JSE;
SiO_2	silicon dioxide;
SLP	Social and Labour Plan aimed at promoting employment and advancement of the social and economic welfare of all South Africans while ensuring economic growth and socioeconomic development as stipulated in the MPRDA;
Strate	Strate Limited (Registration number 1998/022242/06), a limited liability public company duly registered and incorporated in South Africa, which is a registered central securities depository and which is responsible for the electronic settlement system used by the JSE;
stripping ratio	the ratio, measured in m^3 to m^3 at which waste and inter-burden are removed, relative to ore mined;
t	tonne;
tpa	tonnes per annum;
tpm	tonnes per month;
UG1	the Upper Group 1 Chromitite Layer that is a well developed and consistent marker in the Critical Zone of the Bushveld Complex that consists of a massive chromitite, chromitiferous pyroxenite, bands of anorthosite, chromitite and norites and stringers of chromitites;
UG2	the Upper Group 2 Chromitite Layer of the Bushveld Complex that is well known and typically contains PGMs in a concentration that is sufficient for economic extraction;
US$	United States Dollars, the lawful currency of the US;
Voyager or Voyager Plant	a 300 ktpm nameplate capacity processing plant for the production of PGM and chrome concentrate, owned by Tharisa Minerals;
ZAR or R or Rand	South African Rand, the lawful currency of South Africa.

Shareholder information

Investor relation report

SHARE INFORMATION

Tharisa plc is listed on the Johannesburg Stock Exchange

Company	Tharisa plc
Ticker code	THA
Sector	General Mining
Issued share capital at 30 September 2015	255 891 886
Market capitalisation at 30 September 2015	ZAR1.28 billion
Closing share price at 30 September 2015	ZAR5.00
12-month high	ZAR16.00
12-month low	ZAR4.50

SHAREHOLDER ANALYSIS

Analysis of shareholders at 30 September 2015

Analysis of ordinary shareholders	Number of shareholders	Number of shares	Percentage of issued share capital
Holdings of 1 to 10 000 shares	585	420 134	0.16
Holdings of 10 001 to 100 000 shares	65	2 022 526	0.79
Holdings of 100 001 to 1 000 000 shares	13	4 583 514	1.79
Holdings of 1 000 001 to 5 000 000 shares	6	13 788 967	5.39
Holdings of 5 000 001 to 100 000 000 shares	10	235 076 745	91.87
Total	**679**	**255 891 886**	**100.00**

Major shareholders	Number of shares	Percentage of issued share capital
Shareholders holding 10% or more		
Medway Developments Limited	119 030 073	46.52
Pershing LLC	40 548 241	15.85
Fujian Wuhang Stainless Steel Co. Limited	28 070 211	10.97
Shareholders holding 5% or more (but less than 10%)		
Maaden Invest Limited (direct and indirect holding)	14 985 577	5.86

Public and non-public shareholders	Number of shareholders	Number of shares	Percentage of issued share capital
Public	660	61 034 745	23.85
Non-public			
Directors and associates of the Company and its subsidiaries	16	7 208 616	2.82
Persons interested (other than directors), directly or indirectly, in 10% or more	3	187 648 525	73.33
Total	**679**	**255 891 886**	**100.00**

Disclosure of directors' interests in the Company's share capital

The aggregate direct and indirect interests of the directors in the issued share capital of the Company are as follows:

	2015				2014			
	Beneficial		Non-beneficial		Beneficial		Non-beneficial	
Director	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect
Loucas Pouroulis	53 684	–	–	10 000	–	–	–	–
Phoevos Pouroulis	44 737	6 918 432	–	–	–	6 664 157	–	–
Michael Jones	40 263	–	–	–	–	–	–	–
David Salter	–	–	–	–	–	–	–	–
Antonis Djakouris	–	–	–	–	–	–	–	–
Ioannis Drapaniotis	–	–	–	–	–	–	–	–
Omar Kamal	–	–	–	308 939*	–	–	–	308 939*
Total	**138 684**	**6 918 432**	**–**	**318 939**	–	6 664 157	–	308 939

* *These shares are held indirectly and beneficially by Omar Kamal's mother and while she is not regarded as an associate in terms of the JSE Listings Requirements, the holding is disclosed in the interest of transparency.*

Notice of Annual General Meeting

THARISA PLC
(Incorporated in the Republic of Cyprus with limited liability)
(Registration number: HE223412)
JSE share code: THA
ISIN: CY0103562118
("Tharisa" or "the Company")

Notice is hereby given that the Annual General Meeting (AGM) of shareholders of Tharisa will be held at Office 109, First Floor, S. Pittokopitis Business Centre, No 17 Neophytou Nicolaides and Kilkis Street, Paphos, Cyprus on Thursday, 25 February 2016 at 09:00 (UTC +2) to consider and, if deemed fit, pass, with or without modification, the ordinary and special resolutions as set out in this Notice of AGM and to deal with such other business as may be dealt with at the AGM.

IDENTIFICATION

Shareholders are advised that any person attending or participating in an AGM of shareholders must present reasonably satisfactory identification before being entitled to participate in and vote at the AGM and the person presiding at the AGM must be reasonably satisfied that the right of any person to participate in and vote (whether as shareholder or proxy for a shareholder) has been reasonably verified. Forms of identification that will be accepted include original and valid identity documents, driver's licences or passports.

IMPORTANT DATES

Record date to receive notice of the AGM	Friday, 22 January 2016
Last day to trade to be eligible to vote	Friday, 12 February 2016
Record date to be eligible to vote at the AGM	Friday, 19 February 2016
Last day for lodging proxy forms (by 09:00)	Tuesday, 23 February 2016

Accordingly, the date on which a person must be registered as a shareholder in the register of the Company to be entitled to attend and vote at the AGM will be Friday, 19 February 2016.

ELECTRONIC PARTICIPATION

Tharisa intends to offer shareholders reasonable access, through electronic facilities, to participate in the AGM by means of a conference call facility. Shareholders will be able to listen to the proceedings and raise questions should they wish to do so and are invited to indicate their intention to make use of this facility by making application, in writing (including details as to how the shareholder or representative can be contacted), to the Company at ir@tharisa.com. The application is to be received by the Company at least 10 business days prior to the date of the AGM, namely Wednesday, 10 February 2016. The Company will, by way of email, provide information enabling participation to those shareholders who have made application. Shareholders will be billed separately by their own telephone service provider for their telephone call to participate in the meeting.

Voting will not be possible via the electronic facility and shareholders wishing to exercise their voting rights at the AGM are required to be represented at the meeting either in person, by proxy or by letter of representation as provided for in the Notice of AGM.

RESOLUTIONS FOR CONSIDERATION AND ADOPTION

Ordinary business

1. Ordinary resolution number 1

Adoption of the Annual Financial Statements

"RESOLVED THAT the audited Annual Financial Statements for the year ended 30 September 2015, including the reports of the directors and the independent auditor, be received and adopted."

Additional information in respect of ordinary resolution number 1

The condensed consolidated audited Annual Financial Statements for the year ended 30 September 2015 are included in the Annual Report of which this Notice of AGM forms part. The complete audited annual financial statements, together with the relevant reports for the year ended 30 September 2015, are available on the Company's website, www.tharisa.com.

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

2. Ordinary resolution number 2

Re-appointment of external auditors

"RESOLVED THAT KPMG Limited Cyprus, with Maria Karantoni being the designated registered auditor, be re-appointed as the independent external auditors of the Company and of the Group for the financial year ending 30 September 2016, to hold office until conclusion of the next AGM of the Company, and that their remuneration for the financial year ending 30 September 2016 be determined by the Audit Committee."

Additional information in respect of ordinary resolution number 2

In accordance with clause 195 of the Company's Articles of Association and sections 153 to 155 of the Companies Law, KPMG Limited Cyprus is proposed to be re-appointed as the external auditors of the Company, until the conclusion of the next AGM. The Audit Committee conducted an assessment of the performance and the independence of the external auditors and their compliance with the JSE Listings Requirements and recommends their re-appointment as independent auditors of the Company and the Group.

The percentage of voting rights required for ordinary resolution number 2 to be adopted is more than 50% of the voting rights exercised on this resolution by all shareholders present or represented by proxy and entitled to vote at the AGM.

3. Ordinary resolution number 3 (comprising ordinary resolutions numbers 3.1 and 3.2)

Re-election of directors retiring by rotation

3.1 "RESOLVED THAT John David Salter, who retires in accordance with the Company's Articles of Association and who, being eligible, offers himself for re-election, be re-elected as a director of the Company."

3.2 "RESOLVED THAT Antonios Djakouris, who retires in accordance with the Company's Articles of Association and who, being eligible, offers himself for re-election, be re-elected as a director of the Company."

Additional information in respect of ordinary resolutions numbers 3.1 and 3.2

In terms of clause 110 of the Company's Articles of Association, one-third of the non-executive directors of the Company for the time being are required to retire from office at each AGM. The directors of the Company to retire in every year shall be those who have been longest serving since their last election. A retiring director shall be eligible for re-election.

A brief curriculum vitae in respect of each director referred to in ordinary resolutions numbers 3.1 and 3.2 above appears on pages 32 and 33 of the Annual Report of which this Notice of AGM forms part.

The Board recommends to shareholders the re-election of each of the retiring directors as set out in ordinary resolutions numbers 3.1 and 3.2.

The percentage of voting rights required for ordinary resolutions numbers 3.1 and 3.2 to be adopted is more than 50% of the voting rights exercised on such resolution by all shareholders present or represented by proxy and entitled to vote at the AGM.

SPECIAL BUSINESS

4. Ordinary resolution number 4

General authority to directors to allot and issue ordinary shares

"RESOLVED THAT the authorised but unissued shares in the capital of the Company limited to 38 383 783 (thirty-eight million three hundred and eighty-three thousand seven hundred and eighty-three), being 15% of the number of listed equity securities in issue at the date of this Notice, being 255 891 886 (two hundred and fifty-five million eight hundred and ninety-one thousand eight hundred and eighty-six) ordinary shares (for which purposes any shares approved to be allotted and issued by the Company in terms of the Share Award Plan for the benefit of employees shall be excluded), be and are hereby placed under the control and authority of the directors and that they be and are hereby authorised to allot, issue and grant options over and otherwise dispose of such shares to such persons on such terms and conditions and at such times as they may from time to time and at their discretion deem fit, subject to the provisions of the Companies Law, as may be amended from time to time, the Company's Articles of Association and the JSE Listings Requirements. Such authority shall be valid until the conclusion of the next AGM of the Company".

Additional information in respect of ordinary resolution number 4

The Board may only allot and issue shares or grant rights over shares if authorised to do so by the shareholders. This resolution seeks authority for the Board to allot, issue and deal in shares up to a maximum of 15% of the Company's issued share capital.

The percentage of voting rights required for ordinary resolution number 4 to be adopted is more than 50% of the voting rights exercised on such resolution by all shareholders present or represented by proxy and entitled to vote at the AGM.

5. Ordinary resolution number 5

Dis-application of pre-emption rights

"RESOLVED THAT, subject to the JSE Listings Requirements, the Board be and is hereby authorised to dis-apply the pre-emption rights, with respect to the authority conferred on the Board to issue and allot ordinary shares, up to a maximum of 15% of the Company's issued share capital. This authority will expire at the conclusion of the Company's next AGM.

Additional information in respect of ordinary resolution 5

In terms of section 60B of the Companies Law, if the Board wishes to allot any unissued shares, grant rights over shares or sell treasury shares for cash (other than pursuant to an employee share scheme) it must first offer them to existing shareholders in proportion to their holdings. There may be circumstances, however, where the Board requires the flexibility to finance business opportunities through the issue or sale of shares or related securities without a pre-emptive offer to existing shareholders. This can only be done under the Companies Law if the shareholders have first waived their pre-emption rights. This resolution seeks authority for the Board to dis-apply pre-emption rights for shares up to a maximum of 15% of the Company's issued share capital. If granted, this authority will expire at the conclusion of the Company's next AGM.

The percentage of voting rights required for ordinary resolution number 5 to be adopted is more than 50% of the voting rights exercised on such resolution by all shareholders present or represented by proxy and entitled to vote at the AGM.

6. Ordinary resolution number 6

General authority to issue shares for cash

"RESOLVED THAT, subject to ordinary resolutions numbers 4 and 5 being passed, the Board be authorised, by way of a general authority, to allot and issue shares (and/or any options or convertible securities) for cash to such persons on such terms and conditions as the Board may from time to time in its discretion deem fit, subject to the provisions of the Company's Articles of Association, the Companies Law, as may be amended from time to time and the JSE Listings Requirements and subject to the following limitations, namely that:

i. The equity securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
ii. Any such issue will only be made to "public shareholders" as defined in the JSE Listings Requirements and not to related parties, unless the JSE otherwise agrees;
iii. In respect of securities which are the subject of the general issue of shares for cash, such issue may not exceed 25 589 189 (twenty-five million five hundred and eighty-nine thousand one hundred and eighty-nine) shares, representing 10% of the number of listed equity securities in issue as at the date of this notice, being 255 891 886 (two hundred and fifty-five million eight hundred and ninety-one thousand eight hundred and eighty-six) shares, provided that:
   – any equity securities issued under this authority during the period must be deducted from the number above;
   – in the event of a sub-division or consolidation of issued equity securities during the period contemplated above, the existing authority must be adjusted accordingly to represent the same allocation ratio; and
   – the calculation of the listed equity securities is a factual assessment of the listed equity securities as at the date of the notice of AGM, excluding treasury shares;
iv. This authority shall be valid until the Company's next AGM;
v. A SENS announcement giving full details of the issue will be published at the time of any issue representing, on a cumulative basis within the period of this authority, 5% or more of the number of shares in issue prior to the issue concerned; and
vi. The maximum discount permitted at which equity securities may be issued is 10% of the weighted average traded price on the JSE of those shares measured over the 30 business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the securities. The JSE should be consulted for a ruling if the Company's securities have not traded in such 30-business day period."

Additional information in respect of ordinary resolution number 6

In accordance with the Company's Articles of Association, and the JSE Listings Requirements, the shareholders of the Company have to approve a general issue of shares for cash. The existing authorities granted by the shareholders of the Company at the previous AGM held on 23 April 2015 expires at the AGM to be held on 25 February 2016, unless renewed. This authority will be subject to the Company's Articles of Association, the Companies Law and the JSE Listings Requirements. The Board considers it advantageous to renew this authority to enable the Company to take advantage of any business opportunity that may arise in the future.

This ordinary resolution number 6 is required, under the JSE Listings Requirements, to be passed by achieving a 75% majority of the voting rights exercised on this resolution by all shareholders present or represented by proxy and entitled to vote at the AGM.

7. Ordinary resolution number 7

Approval of remuneration policy

"RESOLVED THAT the Group remuneration policy, as described in the Remuneration Report on pages 43 – 47 of the Annual Report of which this Notice of AGM forms part, be approved by way of a non-binding advisory vote, as recommended in King III."

Additional information in respect of ordinary resolution number 7

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

The non-binding advisory vote is to enable shareholders of the Company to express their views on the Group's remuneration policies adopted, and on their implementation. Accordingly, the shareholders of the Company are requested to endorse the Company's remuneration policy as recommended by King III.

This resolution is non-binding, therefore no minimum voting threshold is required for ordinary resolution number 7.

8. Special resolution number 1

General authority to repurchase shares

"RESOLVED THAT the Company, and any of its subsidiaries, be authorised, by way of a general authority, in terms of the provisions of the JSE Listings Requirements, the Companies Law and as permitted by the Company's Articles of Association, to acquire, as a general repurchase, the issued ordinary shares of the Company, upon such terms and conditions and in such manner as the Board may from time to time determine, but subject to the applicable requirements of the Company's Articles of Association, the provisions of the Companies Law and the JSE Listings Requirements, where applicable, and provided that:

i. The maximum number of ordinary shares to be acquired shall not exceed 10% of the Company's ordinary shares in issue at the date on which this special resolution number 1 is passed;
ii. The repurchase of shares will be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);
iii. The Company has been given authority to repurchase its shares by its Articles of Association;
iv. This general authority shall only be valid until the Company's next AGM, provided that it shall not extend beyond 12 months from the date of passing of this special resolution number 1;
v. In determining the price at which the Company's ordinary shares are acquired by the Company in terms of this general authority, the maximum premium at which such ordinary shares may be acquired shall not exceed the higher of:
   – 5% of the weighted average of the market price at which such ordinary shares are traded on the JSE, as determined over the five business days immediately preceding the date of the repurchase of such ordinary shares by the Company;
   – the higher of the price quoted for the last independent trade of, or the highest current independent bid for any number of shares on the JSE where the purchase is carried out;
vi. At any point in time, the Company may only appoint one agent to effect any repurchases on the Company's behalf;
vii. A resolution has been passed by the Board confirming that the Board has authorised the repurchase and that the Company satisfied the net assets test contemplated under section 169A of the Companies Law;
viii. The Company may not repurchase ordinary shares during a prohibited period, as defined in the JSE Listings Requirements, unless the Company has a repurchase programme in place where the dates and quantities of the ordinary shares to be traded during the relevant period are fixed and not subject to any variation and full details of the programme have been disclosed to the JSE in writing prior to the commencement of the prohibited period;
ix. A SENS announcement will be published giving such details as may be required in terms of the JSE Listings Requirements as soon as the Company has cumulatively repurchased 3% of the number of shares in issue at the date of the passing of this special resolution number 1 and for each 3% in aggregate of the initial number of shares acquired thereafter, and in the press when required in terms of the Companies Law;
x. The Board undertakes that it will not implement the proposed authority to repurchase shares, unless the directors are of the opinion that, for a period of 12 months after the date of the repurchase:
   – the Company and the Group will be able, in the ordinary course of business, to pay its debts;
   – the assets of the Company and the Group, fairly valued in accordance with IFRS, will be in excess of the liabilities of the Company and the Group;
   – the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes; and
   – the working capital of the Company and the Group will be adequate for ordinary business purposes."

Additional information in respect of special resolution number 1

Under section 57A of the Companies Law, the Board must obtain authorisation by special resolution from the shareholders before they can effect the purchase by the Company of any of its own shares. In certain circumstances it may be advantageous for the Company to purchase its own shares and this resolution seeks authority to do so. The Board will exercise this power only in accordance with the requirements of the Companies Law and the JSE Listings Requirements, and when, in view of market conditions prevailing at the time, it believes that the effect of such purchases will be to increase earnings per share and is in the best interests of the shareholders generally. Save to the extent purchased pursuant to the Companies Law, any shares purchased in this way will be cancelled and the number of shares in issue will be reduced accordingly.

The Company may hold in treasury any of its own shares that it purchases pursuant to the Companies Law and the authority conferred by this resolution. This gives the Company the ability to re-issue treasury shares quickly and cost-effectively and provides the Company with greater flexibility in the management of its capital base. It also gives the Company the opportunity to satisfy awards under the Share Award Plan using treasury shares. Once held in treasury, the Company is not entitled to exercise any rights, including the right to attend and vote at meetings, in respect of the shares and no dividend or other distribution of the Company's assets may be made to the Company in respect of treasury shares.

In accordance with the Companies Law, this resolution specifies the maximum number of shares that may be acquired and the maximum and minimum prices at which shares may be bought. If granted, this authority will expire at the conclusion of the Company's next AGM, provided that it shall not extend beyond 12 months from the date of passing of this special resolution number 1.

Please refer to the additional disclosure of information contained in this notice of AGM, which disclosure is required in terms of the JSE Listings Requirements.

The percentage of the voting rights required for special resolution number 1 to be adopted is 75% of the voting rights exercised on this resolution by all shareholders present or represented by proxy and entitled to vote at the AGM.

Additional disclosure requirements in terms of the JSE Listings Requirements

In compliance with the JSE Listings Requirements, the information listed below has been included in the Annual Report of which this notice of AGM forms part:

- Major shareholders – refer to page 69 of the Annual Report.
- Share capital of Tharisa – refer to page 69 of the Annual Report.

Material changes

Other than the facts and developments reported on in the Annual Report, there have been no material changes in the affairs or the financial position of the Company and its subsidiaries since the date of signature of the audit report and the date of this Notice of AGM.

Directors' responsibility statement

The directors, whose names are given on pages 32 and 33 of this Annual Report, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution number 1 and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that special resolution number 1 contains all such information required by law and the JSE Listings Requirements.

PROXIES

An ordinary shareholder entitled to attend and vote at the AGM is entitled to appoint a proxy or proxies to attend and act in his/her stead. A proxy need not be a member of the Company. For the convenience of registered members of the Company, a form of proxy is attached hereto.

The attached form of proxy is only to be completed by those ordinary shareholders who:

- hold ordinary shares in certificated form; or
- are recorded on the sub-register in "own name" dematerialised form.

Ordinary shareholders who have dematerialised their ordinary shares through a central securities depository participant (CSDP) or broker other than with "own name" registration and who wish to attend the AGM, must instruct their CSDP or broker to provide them with the relevant letter of representation to attend the AGM in person or by proxy and vote. If they do not wish to attend in person or by proxy, they must provide the CSDP or broker with their voting instructions in terms of their custody agreement entered into between them and the CSDP or broker.

Unless shareholders advise their CSDP or broker, in terms of their agreement, by the cut-off time stipulated therein, that they wish to attend the AGM or send a proxy to represent them, their CSDP or broker will assume that they do not wish to attend the AGM or send a proxy.

Shareholders who are unsure of their status or the action they should take, are advised to consult their CSDP, broker or financial advisor.

The attached form of proxy must be executed in terms of the Company's Articles of Association and in accordance with the relevant instructions set out on the form, and must be lodged with the Company's transfer secretaries not less than 48 hours before the time set down for the AGM. If required, additional forms of proxy may be obtained from the transfer secretaries.

VOTING

In accordance with the Company's Articles of Association, all resolutions put to a vote at the AGM shall be decided on a poll. Every shareholder of the Company shall have one vote for every share held in the Company by such shareholder.

If you are in any doubt as to what action you should take in respect of the resolutions provided for in this notice, please consult your CSDP, broker, banker, attorney, accountant or other professional advisor.

LODGEMENT OF FORMS OF PROXY

Forms of proxy should be lodged with the Company's transfer secretaries, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001, South Africa, or posted to the Company's transfer secretaries at PO Box 61051, Marshalltown, 2107, South Africa, so as to be received by them by no later than 09:00 on Tuesday, 23 February 2016, in accordance with clause 99 of the Company's Articles of Association. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the AGM.

By order of the Board

Sanet de Witt
Joint Company Secretary
South Africa

Lysandros Lysandrides
Joint Company Secretary
Cyprus

7 December 2015

Form of proxy

THARISA PLC
(Incorporated in the Republic of Cyprus with limited liability)
(Registration number: HE223412)
JSE share code: THA
ISIN: CY0103562118
("Tharisa" or "the Company")

This form of proxy relates to the Annual General Meeting ("AGM") of shareholders of the Company to be held at Office 109, First Floor, S. Pittokopitis Business Centre, No 17 Neophytou Nicolaides and Kilkis Street, Paphos, Cyprus on Thursday, 25 February 2016 at 09:00 (UTC +2) and should be completed by registered certificated shareholders and shareholders who have dematerialised their shares with "own name" registration.

All other dematerialised shareholders holding shares other than with "own name" registration who wish to attend the AGM must inform their CSDP or broker of their intention to attend the AGM and request their CSDP or broker to issue them with the relevant letter of representation to attend the AGM in person or by proxy and vote. Shareholders who do not wish to attend the AGM in person or by proxy must provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. These shareholders must not complete this form of proxy.

This form of proxy should be read with the Notice of AGM. Please print clearly and refer to the notes at the end of this form for an explanation on the use of this form of proxy and the rights of the shareholder and the proxy.

I/We ______________________________

of (address) ______________________________

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

1. ______________ of ______________ or failing him/her

2. ______________ of ______________ or failing him/her

the Chairman of the AGM, as my/our proxy to act for me/us and on my/our behalf at the AGM which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof; and to vote for and/or against the resolutions and/or abstain from voting in respect of the Tharisa shares registered in my/our name(s), in accordance with the following instructions (see note 3):

	For	Against	Abstain
Ordinary business Ordinary resolution 1 is non-binding and does not require a minimum threshold. Ordinary resolutions 2 and 3 require support of a simple majority (more than 50%) of the votes exercised in respect of each resolution adopted.			
Ordinary resolution number 1: Adoption of Annual Financial Statements			
Ordinary resolution number 2: Re-appointment of external auditors			
Ordinary resolution number 3.1: Re-election of John David Salter as a director			
Ordinary resolution number 3.2: Re-election of Antonios Djakouris as a director			
Special business Ordinary resolutions 4 to 6 require support of a simple majority (more than 50%) of the votes exercised in respect of each resolution to be adopted. Ordinary resolution 6 requires a 75% majority of the votes exercised to be adopted. Ordinary resolution 7 is non-binding and does not require a minimum threshold. Special resolution 1 requires support of at least 75% of the votes exercised to be adopted.			
Ordinary resolution number 4: Control of authorised but unissued shares			
Ordinary resolution number 5: Dis-application of pre-emptive rights			
Ordinary resolution number 6: General authority to issue shares for cash			
Ordinary resolution number 7: Approval, through a non-binding advisory vote, of the Group remuneration policy			
Special resolution number 1: General authority to repurchase shares			

Please indicate with an "X" in the space provided above how you wish your votes to be cast.

Signed at ______________ on ______________ 2016

Signature ______________________________

Assisted by (if applicable) (see note 7)

Notes to the form of proxy

1. A registered shareholder may appoint an individual as a proxy, including an individual who is not a shareholder of the Company, to participate in, speak and vote at a shareholders' meeting on his/her behalf. Should this space be left blank, the proxy will be exercised by the Chairman of the meeting.
2. The person whose name appears first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.
3. A proxy may delegate his/her authority to act on your behalf to another person, subject to any restriction set out in this proxy form.
4. A shareholder's instructions to the proxy must be indicated by the insertion of an "X", or the number of votes exercisable by that shareholder, in the appropriate box provided. The proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder at the AGM, but only as directed on this form of proxy.
5. If there is no clear indication as to the voting instructions to the proxy, the form of proxy will be deemed to authorise the proxy to vote or to abstain from voting at the AGM as he/she deems fit in respect of all the shareholder's votes exercisable.
6. To be valid and counted, the completed form of proxy must be lodged with the transfer secretaries of the Company, namely Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, South Africa, or posted to PO Box 61051, Marshalltown, 2107, South Africa, to reach them by no later than 09:00 on Tuesday, 23 February 2016, being no later than 48 hours before the AGM to be held at 09:00 on Thursday, 25 February 2016, provided that the Chairman of the AGM may, in his discretion, accept proxies that have been delivered after the expiry of the aforementioned period up to and until the time of commencement of the AGM, at his sole discretion.
7. This form of proxy must be dated and signed by the shareholder appointing the proxy. The completion of blank spaces does not have to be initialled, but any alteration or correction made to this form of proxy must be initialled by the signatory/ies. A minor must be assisted by his/ her parent or guardian unless the relevant documents establishing his/ her legal capacity are produced or have been registered by the Company.
8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company or waived by the Chairman of the AGM. CSDPs or brokers registered in the Company's sub-register voting on instructions from beneficial owners of shares registered in the Company's sub-register, are requested to identify the beneficial owner in the sub-register on whose behalf they are voting and return a copy of the instruction from such owner to the Company's transfer secretaries, together with this form of proxy.
9. The Chairman of the meeting shall be entitled to decline or accept the authority of a person signing the form under a Power of Attorney or on behalf of a company, unless the Power of Attorney is deposited at the Company's transfer secretaries not later than 48 hours before the meeting.
10. The appointment of the proxy or proxies will be suspended at any time to the extent that the shareholder chooses to act directly and in person in the exercise of any of his/her rights as a shareholder at the AGM.
11. The appointment of the proxy is revocable unless expressly stated otherwise in this form of proxy. The proxy appointment may be revoked by cancelling it in writing, or making a later inconsistent appointment of a proxy and delivering a copy of the revocation instrument to the proxy and to the Company's transfer secretaries. Please note the revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder, as of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered to the Company's transfer secretaries and the proxy, as aforesaid.
12. The appointment of the proxy remains valid only until the end of the AGM or any adjournment or postponement thereof, unless it is revoked by the shareholder before then on the basis set out above.

Corporate information

THARISA PLC

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

REGISTERED ADDRESS

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

POSTAL ADDRESS

PO Box 62425
8064 Paphos
Cyprus

WEBSITE

www.tharisa.com

DIRECTORS OF THARISA

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

JOINT COMPANY SECRETARIES

Lysandros Lysandrides
26 Vyronos Avenue
1096 Nicosia
Cyprus

Sanet de Witt
Eland House, The Braes
3 Eaton Avenue, Bryanston, Johannesburg 2021
South Africa
Email: secretarial@tharisa.com

INVESTOR RELATIONS

Sherilee Lakmidas
Eland House, The Braes
3 Eaton Avenue, Bryanston, Johannesburg 2021
South Africa
Email: ir@tharisa.com

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited
Registration number: 2004/003647/07
70 Marshall Street
Johannesburg 2001
(PO Box 61051 Marshalltown 2107) South Africa

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

SPONSOR

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

AUDITORS

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

tharisa

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