Tharisa plc
(Incorporated in the Republic of Cyprus with limited liability)
(Registration number HE223412)
(Date of incorporation: 28 February 2008)
Share code: THA
ISIN: CY0103562118
("Tharisa" or "the Company")

CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014

Salient features

PGM PRODUCTION
(5PGE + Au)
UP 36.2%
78.2 koz
(2013: 57.4 koz)

CHROME CONCENTRATE
PRODUCTION
DOWN 9.1%
1.085 Mt
(2013: 1.193 Mt)
production of 148.2 kt
of higher value chemical and foundry
grade concentrates (2013: nil)

Revenue
UP 11.7%
USD240.7m
notwithstanding lower chrome
commodity prices
(2013: USD215.5m)

POSITIVE
Operating PROFIT
USD5.9m (2013: loss USD0.7m)

NET CASH GENERATED
FROM OPERATIONS
USD22.3m
(2013: utilised USD3.0m)

HEADLINE LOSS
PER SHARE OF
USD0.20
(2013: USD0.19)

Dear Shareholder

This year Tharisa continued to implement its strategy to become a leading natural resources company focused on originating, developing and operating mines in the PGM, chrome and steel raw materials sectors with the continued ramp-up in production of PGM and chrome concentrates at the Tharisa Mine, our principal operating asset.

For the financial year, Tharisa Minerals maintained an excellent safety record with a lost-time injury frequency rate of 0.14 per 200 000 manhours, one of the lowest LTIFRs in the PGM and chrome industries in South Africa, with 7 465 615 fatality-free hours worked.

It is with great sadness, however, we report that subsequent to the financial year-end, one of our employees, Mr Johan Raaths, a 23-year old instrument technician, lost his life in a tragic accident during a routine maintenance shift. We extend our sincere condolences to Mr Raaths' family, friends and colleagues.

Safety remains our utmost priority and we will continue to strive for zero harm at our operations through the ongoing implementation of appropriate risk management processes, strategies, systems and training to promote a safe working environment for all.

Operational overview

Mining

The Tharisa Mine is unique in that it mines multiple mineralised layers with different, but defined, PGM and chrome contents. Mining takes place using traditional open pit methods by experienced contractors.

Some 3.9 Mt of ore at an average grade of 1.63 g/t PGMs and 19.4% chrome was mined during the year and 11.9 M m3 of waste rock was moved. This was below plan principally because of poor contractor performance and necessitated the use of stockpiled low grade and shallow weathered ores to supplement plant feed at times during the year.

The complexity and scale of the mining operations required to provide 400 kt of appropriately blended ore per month necessitated a change in both the number and operational responsibilities of mining contractors during the year. The significant operational changes implemented during the year have already yielded major production gains.

Processing

As befits a unique orebody, the Tharisa Mine processing facilities are similarly unique. The mine has two concentrators, the Genesis plant (100 kt per month nameplate capacity) and the Voyager plant (300 kt per month nameplate capacity). Both plants recover chromite using gravity concentration methods and PGMs by froth flotation. Different ore blends are fed to the plants and the availability of two separate facilities affords operational flexibility.

The Voyager plant was in ramp-up phase for much of the year and experienced the usual post-commissioning problems typical for plants of this scale and complexity. Process de-bottlenecking is largely complete and the introduction of process optimisation initiatives has yielded significant improvements. For example, the commissioning of a high energy flotation circuit increased PGM recoveries above 65% with an average recovery of 48% for the year. Chrome recovery using wet high-intensity magnetic separation is undergoing production testing and an ultra-fine grinding plant for additional PGM liberation is being designed.

PGM production totalled some 78 koz for the year.

Production of chrome concentrates totalled 1.1 Mt during the year, including 148 kt of high value chemical and foundry grade concentrates.

Production continues to increase as the mining operation provides consistent appropriate feed as a result of the changes made.

Energy and Transport

Key areas of concern for the sustainability of any mining operation in South Africa include the supply of electricity and transport infrastructure. The Tharisa Mine has experienced limited disruption due to power outages. The independence of our processing plants has been key in providing operational flexibility during the electricity outages that did occur.

During the year Arxo Logistics secured the road, rail and port facilities necessary to ensure the movement of all product in an optimal manner. Transport costs for chrome concentrate remain a major cost and will continue to be closely managed.

A total of 902.5 kt of chrome concentrates was shipped by Arxo Logistics this year, mostly to main ports in China. Of this, 55% was shipped in bulk with the balance being shipped in containers, illustrating the flexibility of our logistics infrastructure to switch between bulk and containers. Arrangements with Transnet for railing product from the railway siding near our mine to Richards Bay Port Dry Bulk Terminal are working well. Negotiations over a planned public-private partnership for an on-site railway siding at Tharisa Minerals are underway. This will not only improve our efficiencies, but will also improve safety and reduce the environmental impact by reducing road freight haulage.

Arxo Logistics has sufficient storage capacity at both the Richards Bay Port Dry Bulk Terminal and the Durban Container Port to manage the full production capacity of the Tharisa Mine.

Sales

PGM concentrate is sold locally to Impala Refining Services. Tharisa Minerals is paid a variable percentage of the market value of the contained PGMs in terms of an agreed formula.

China is our main market with 883.5 kt of chrome concentrate sales during the year. However, this year we increased domestic chrome concentrate sales significantly, a response to South Africa's protracted labour action and the requirement for domestic ferrochrome producers to source material for their furnaces. This material (95.2 kt) was sold on an export parity pricing basis and was, we believe, good not only for our customers but also for the South African economy.

Chemical and foundry grade chrome concentrate are sold principally to Rand York Minerals in terms of an off-take agreement.

JSE listing

On 10 April 2014 the Company listed its ordinary share capital in the "General Mining" sector of the Main Board of the Johannesburg Stock Exchange. The Company raised USD47.9 million (ZAR500 million) in terms of a private placement undertaken at the time of the listing, through the issue of new ordinary shares at ZAR38 per share. As a consequence of the listing, the issued preference shares of the Company were converted into ordinary shares.

Subsequent to the listing, and because of factors beyond the Company's control, the Tharisa share price has not reflected the business' intrinsic value, a value that will, we have no doubt, be more readily appreciated as we ramp up our production towards steady state and as our robust value proposition becomes better understood by the market.

Financial Overview

PGM basket prices achieved this year remained relatively flat with an average PGM basket price per ounce of USD1 103 (2013: USD1 132).

Weak markets for chrome concentrates translated into a reduction in the year-on-year volume weighted average CIF contract price for 42% metallurgical grade chrome concentrate to USD149/t (2013: USD156/t) a reduction of 4.5%. Against this background, group revenue totalled USD240.7 million, an increase of 11.7% relative to the previous year. The increase in revenue, notwithstanding lower chrome commodity prices, resulted from an increase in PGM production and the introduction of chemical and foundry grade products.

Our gross profit margin increased to 14.1% with a gross profit of USD33.9 million. The higher gross margin was attributed mainly to increased PGM sales volumes contributing to an increase in the PGM gross margin to 24.0%. The gross margin for chrome sales reduced to 10.0%, as a consequence of the lower selling prices as well as an increase in attributable mining costs while operations were being ramped up towards steady state plus higher engineering costs being incurred by post-commissioning process optimisation. The cost of the open pit pre-stripping has been capitalised to property, plant and equipment.

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

	2014		2013	
USDm	PGMs	Chrome	PGMs	Chrome
Revenue	70.4	170.4	54.3	161.2
Cost of sales	53.5	153.3	50.5	139.1
Gross profit contribution	16.9	17.1	3.8	22.1

After accounting for administration expenses, including USD2.6 million of once-off costs incurred on the listing of the Company, the Group achieved an operating profit of USD5.9 million.

Finance costs (totalling USD14.7 million) principally relate to the senior debt facility secured by Tharisa Minerals for the construction of the Voyager plant. The lenders waived certain debt service cover ratios as at 30 September 2014. The interest rate on the senior debt facility was increased by 100 basis points to Jibar plus 490 basis points until technical completion is achieved. The period for achieving technical completion was extended to 28 November 2015.

Changes in fair value of financial liabilities incurred a non-recurring charge of USD32.4 million. This relates to fair value adjustments arising from the internal rate of return of 25% payable to preference shareholders on conversion of their preference shares into ordinary shares on the listing of the Company.

After accounting for the above financing costs, the Group incurred a reduced loss before taxation of USD40.3 million compared to the prior year loss of USD63.0 million.

Foreign currency differences applicable where the Company has funded the underlying subsidiaries with USD funding and the reporting currency of the underlying subsidiary is not in USD, amounted to USD21.2 million against the prior year charge of USD38.8 million.

During the year, Tharisa Minerals reassessed the recoverability of its deferred tax asset. The reassessment arose primarily as a result of the further losses incurred by Tharisa Minerals in the current financial year and the matters referred to in the going concern assessment detailed in the annual financial statements, particularly relating to commodity prices.

A significant component of the deferred tax asset relates to the foreign exchange losses on the preference share liability between the Company and Tharisa Minerals, which is denominated in USD. The exchange losses can only be claimed by Tharisa Minerals on redemption of the preference shares. The aforementioned factors have resulted in a revised cash flow forecast which indicates that the earliest redemption date of the preference shares is unlikely to be in the near term.

While Tharisa Minerals remains confident that the commodity prices will recover, based on inter alia, the uncertainty of future prices, Tharisa Minerals is of the view that it would be prudent to take a more near term view in assessing the likelihood of utilising the deferred tax asset and has therefore derecognised a portion of the deferred tax asset.

As a result, Tharisa Minerals has derecognised USD13.1 million of its deferred tax asset and did not recognise a further USD9.3 million that arose during the year.

Headline and diluted headline loss per share amounted to USD0.20 (2013: USD0.19).

During this financial year the Group generated net cash from operations of USD22.4 million, a significant turnaround from the previous year when cash utilised in operations totalled USD3.0 million. Cash on hand amounted to USD19.6 million. This cash excludes the required senior debt facility debt service reserve account amounting to USD14.5 million.

Net Group debt amounted to USD116.0 million, producing a debt to equity ratio of 55.3%, with a targeted debt to equity ratio of 15%. The significantly higher actual debt to equity ratio follows the major capital expansion undertaken in the development of the Tharisa Mine and construction of the processing plants as well as funding losses incurred during the development and construction phase.

It is Company policy to pay an annual dividend of 10% of consolidated net profit after tax. In view of the consolidated loss after tax for the 2014 financial year, no dividends have been proposed or paid to ordinary shareholders during the year under review.

Outlook

While Tharisa Minerals experienced numerous challenges this year, these were addressed decisively and proactively. Our business model has proven itself and we remain, despite setbacks, a robust young company that is on course to achieve its key objectives.

Our first mine is situated in South Africa and the Company will continue to operate with confidence in that country. Our priority in the near term is to achieve steady-state PGM and chrome concentrate production and implementing process optimisation initiatives. In the medium term the Company will continue to seek to grow through accretive acquisition, development and operation of large-scale and low-cost projects that are in or close to production, including projects outside of South Africa.

Our financial performance was impacted by once-off costs relating to our listing and by operational capital expenditure required to de-risk our processing assets and ensure our continued cost competitiveness. Research and development of PGM downstream beneficiation and chrome smelting continue to be pursued at minimal cost and hold significant upside potential for our investors.

We take this opportunity to express again our appreciation to all who have worked for and invested in our success. In particular we thank our Board, management, employees, suppliers, partners and all who have assisted in the successful execution of our strategy.

Phoevos Pouroulis	Michael Jones
Chief Executive Officer	Chief Finance Officer
15 December 2014	

Preparation of condensed consolidated annual financial statements

The condensed consolidated annual financial statements for the year ended 30 September 2014 have been extracted from the audited annual financial statements of the Group, but have not been audited. The auditor's report on the audited annual financial statements does not report on all of the information contained in this announcement. 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 annual financial statements and the full audit report.

These condensed statements and the audited annual 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 annual financial statements.

While the annual 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 were approved by the Board on 15 December 2014.

Consolidated statement of profit or loss and other comprehensive income for the year ended 30 September 2014

	Note	30 Sep 2014 USD'000	30 Sep 2013 USD'000
Revenue	4	240 731	215 455
Cost of sales	4	(206 815)	(189 570)
Gross profit		33 916	25 885
Other income		149	48
Administrative expenses		(28 212)	(26 596)
Results from operating activities		5 853	(663)
Finance income		897	863
Finance costs		(14 655)	(14 744)
Changes in fair value of financial liabilities at fair value through profit or loss		(32 420)	(48 424)
Net finance costs		(46 178)	(62 305)
Loss before tax	5	(40 325)	(62 968)
Tax		(14 548)	15 525
Net loss for the year		(54 873)	(47 443)
Other comprehensive income			
Items that will not be classified subsequently to profit or loss		-	-
Items that may be classified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations, net of tax		(21 162)	(38 781)
Total comprehensive expense for the year		(76 035)	(86 224)
Net loss for the year attributable to:			
Owners of the Company		(48 997)	(48 347)
Non-controlling interests		(5 876)	904
Loss for the year		(54 873)	(47 443)
Total comprehensive expense for the year attributable to:			
Owners of the Company		(66 188)	(75 989)
Non-controlling interests		(9 847)	(10 235)
Total comprehensive expense for the year		(76 035)	(86 224)
Basic and diluted loss per share (USD)	6	(0.20)	(0.20)
Headline and diluted headline loss per share (USD)	6	(0.20)	(0.19)

Consolidated statement of financial position
as at 30 September 2014

	Note	30 Sep 2014 USD'000	30 Sep 2013 USD'000
Assets			
Property, plant and equipment	7	253 356	269 130
Goodwill		1 211	1 427
Other financial assets	14	5 008	3 774
Long-term deposits	8	14 479	7 708
Deferred tax assets	9	5 970	20 623
Non-current assets		280 024	302 662
Inventories	10	14 567	24 043
Trade and other receivables		32 515	29 123
Other financial assets	14	442	311
Current taxation		3	-
Cash and cash equivalents	11	19 629	28 017
Current assets		67 156	81 494
Total assets		347 180	384 156
Equity			
Ordinary share capital		255	6
Share premium		452 363	113 342
Other reserve		47 245	47 245
Foreign currency translation reserve		(47 361)	(30 170)
Revenue reserve		(216 596)	(167 859)
Equity attributable to owners of the Company		235 906	(37 436)
Non-controlling interests		(26 052)	(16 205)
Total equity		209 854	(53 641)
Liabilities			
Provisions		4 452	4 738
Borrowings	13	64 223	92 812
Deferred tax liabilities		20	-
Non-current liabilities		68 695	97 550
Convertible redeemable preference shares	12	-	260 291
Class B preference shares		-	12 171
Borrowings	13	30 986	36 688
Current taxation		421	294
Trade and other payables		37 224	30 803
Current liabilities		68 631	340 247
Total liabilities		137 326	437 797
Total equity and liabilities		347 180	384 156

Consolidated statement of changes in equity

	Share capital USD'000	Share premium USD'000	Other reserve USD'000	Foreign currency translation reserve USD'000	Revenue reserve USD'000	Total USD'000	Non-controlling interests USD'000	Total equity USD'000
Balance at 1 October 2013	6	113 342	47 245	(30 170)	(167 859)	(37 436)	(16 205)	(53 641)
Total comprehensive income for the year								
Net loss for the year	–	–	–	–	(48 997)	(48 997)	(5 876)	(54 873)
Other comprehensive income:								
Foreign currency translation differences	–	–	–	(17 191)	–	(17 191)	(3 971)	(21 162)
Total comprehensive income for the year	–	–	–	(17 191)	(48 997)	(66 188)	(9 847)	(76 035)
Transactions with owners, recognised directly in equity								
Share issue expenses	–	(1 416)	–	–	–	(1 416)	–	(1 416)
Equity settled share-based payments	–	–	–	–	260	260	–	260
Issue of ordinary shares for cash	13	47 847	–	–	–	47 860	–	47 860
Issue of ordinary shares to employees resulting from share grants	–	115	–	–	–	115	–	115
Issue of ordinary shares from bonus issue	154	(154)	–	–	–	–	–	–
Issue of ordinary shares from conversion of redeemable convertible preference shares	82	292 629	–	–	–	292 711	–	292 711
Contributions by owners	249	339 021	–	–	260	339 530	–	339 530
Total transactions with owners of the Company	249	339 021	–	–	260	339 530	–	339 530
Balance at 30 September 2014	255	452 363	47 245	(47 361)	(216 596)	235 906	(26 052)	209 854
Balance at 1 October 2012	6	113 342	47 245	(2 528)	(119 512)	38 553	(5 970)	32 583
Total comprehensive income for the year								
Net loss for the year	–	–	–	–	(48 347)	(48 347)	904	(47 443)
Other comprehensive income:								
Foreign currency translation differences	–	–	–	(27 642)	–	(27 642)	(11 139)	(38 781)
Total comprehensive income for the year	–	–	–	(27 642)	(48 347)	(75 989)	(10 235)	(86 224)
Transactions with owners of the Company, recorded directly in equity								
Contributions by owners	–	–	–	–	–	–	–	–
Total transactions with owners of the Company	–	–	–	–	–	–	–	–
Balance at 30 September 2013	6	113 342	47 245	(30 170)	(167 859)	(37 436)	(16 205)	(53 641)

Consolidated statement of cash flows

	2014 USD'000	2013 USD'000
Cash flows from operating activities		
Net loss for the year	(54 873)	(47 443)
Adjustments for:		
Depreciation of property, plant and equipment	10 764	12 438
Amounts written off directly in profit and loss	–	81
Write-off of property, plant and equipment	25	–
Impairment loss of property, plant and equipment	–	2 097
Impairment loss of goodwill	72	75
Allowance for inventory obsolescence	1 195	–
Changes in fair value of financial liabilities at fair value through profit or loss	32 420	48 424
Interest income	(897)	(607)
Changes in fair value of financial assets at fair value through profit or loss	659	54
Interest expense	13 400	14 336
Tax	14 548	(15 525)
Equity settled share-based payments	389	–

	17 702	13 930
Changes in:		
Inventories	8 144	4 254
Trade and other receivables	(3 392)	(11 076)
Trade and other payables	996	(4 384)
Provisions	(152)	(5 000)
Cash from/(used in) operations	23 298	(2 276)
Income tax paid	(942)	(680)
Net cash flows from/(used in) operating activities	22 356	(2 956)
Cash flows from investing activities		
Interest received	699	399
Acquisition of subsidiaries, net of cash acquired	-	154
Additions to property, plant and equipment	(24 289)	(24 316)
Proceeds from disposal of property, plant and equipment	37	-
Additions of other financial assets	(1 606)	(850)
Net cash flows used in investing activities	(25 159)	(24 613)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	47 860	-
Establishment of long-term deposits	(6 771)	(7 708)
Proceeds from borrowings, net of transaction costs	(2 835)	16 073
Repayment of borrowings	(30 989)	(368)
Interest paid	(349)	(248)
Redemption of Class B preference shares	(6 818)	-
Share issue expenses capitalised to share premium	(1 416)	-
Net cash flows (used in)/from financing activities	(1 318)	7 749
Net decrease in cash and cash equivalents	(4 121)	(19 820)
Cash and cash equivalents at the beginning of the year	28 017	52 805
Effect of exchange rate fluctuations on cash held	(4 267)	(4 968)
Cash and cash equivalents at the end of the year	19 629	28 017

Notes to the financial statements
for the year ended 30 September 2014

1. GENERAL INFORMATION
   Tharisa plc ("the Company") is a company domiciled in Cyprus. The condensed consolidated annual financial statements of the Company for the year ended 30 September 2014 comprises the Company and its subsidiaries (together referred to as the "Group"). The Group is primarily involved in platinum group metals ("PGM") and chrome mining and processing, the trading of the chrome concentrate and the associated logistics. The Group holds the mining rights to 5 590 hectares of the Bushveld Complex located on various portions of the farms 342 JQ and Elandsdrift 467 JQ near Rustenburg in the North West Province of South Africa.

2. BASIS OF PREPARATION
   The condensed consolidated financial information for the year ended 30 September 2014 has been prepared in accordance with the JSE Listing Requirements. The Listing Requirements require financial statements to be prepared

in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and to also as a minimum, contain the information required by IAS 34
Interim Financial Reporting.

The condensed consolidated financial information has been prepared under the historical cost convention except for certain financial assets, financial liabilities and derivative financial instruments which are measured at fair value.

The summarised consolidated financial information is presented in United States Dollars ("USD"), which is the Company's functional currency.

Going concern
The Group incurred a loss for the year ended 30 September 2014 of USD54 873 thousand (2013: USD47 443 thousand) and, as at that date its current liabilities exceeded its current assets by USD1 475 thousand (2013: USD258 753 thousand).

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. Achievement of the short-term cash flow forecast is dependent on the planned production levels being achieved and/or no weakening in the commodity prices. Should forecast production not be achieved and/or commodity prices weaken, this may result in a shortfall in cash. Certain capital expenditure can be postponed in such event and alternative funding options are being evaluated including the release of the environmental rehabilitation guarantee collateral included in "other financial assets" which would then be available for
operational cash requirements.

During the financial year, insufficient correct reef layers were being exposed as a result of waste and interburden stripping being below plan because of contractor mining equipment availability being below industry norms. Following a strategic review, an additional mining contractor has been appointed to undertake the more specialised blasting and extraction of the reef layers and removal of interburden. The existing mining contractor will focus on bulk waste removal.

The Group experienced ramp-up problems typical of large complex concentrators coupled with mechanical failures of certain key equipment. De-bottlenecking and process optimisation together with equipment re-engineering have overcome these problems. Initiatives to improve recoveries and yields are ongoing.

The senior debt providers have waived certain facility covenants relating to the debt service cover ratio as at 30 September 2014, and have extended the date for completion of the technical completion tests to 28 November 2015.

Should the forecast production not be achieved and/or commodity prices weaken, a material uncertainty exists which may cast doubt on the ability of the Group to continue as a going concern and it may be unable to realise its assets and settle its liabilities in the normal course of business without additional fund-raising.

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

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements from which the condensed financial information was derived, are consistent with those applied in the previous financial year, and in terms of IFRS.

4. SEGMENT REPORTING

The Group differentiates its segments between PGM operations and chrome operations. Management has determined the operating segments based on the business activities and management structure within the Group.

Segment information regarding the results of each operating segment is included below. Performance is measured based on segment revenue, cost of sales and gross profit as included in the internal management reports that are reviewed by the Group's management. Segment revenue, cost of sales and gross profit are used to measure performance as management believes that such information is the most relevant in evaluating the results of each segment.

	PGM	Chrome	Total
Year ended 30 September 2014	USD'000	USD'000	USD'000
Revenue	70 365	170 366	240 731
Cost of sales	(53 485)	(153 330)	(206 815)
Gross profit	16 880	17 036	33 916
Year ended 30 September 2013			
Revenue	54 271	161 184	215 455
Cost of sales	(50 496)	(139 074)	(189 570)
Gross profit	3 775	22 110	25 885

Geographical information

The following tables set out information about the geographical location of the Group's revenue from external customers and the Group's property, plant and equipment and goodwill ("specified non-current assets"). The geographical location analysis of revenue from external customers is based on the country of establishment of each customer. The geographical location of the specified non-current assets is based on the physical location of the asset in the case of property, plant and equipment and the location of the operation to which they are allocated in the case of goodwill.

	30 Sep 2014	30 Sep 2013
	USD'000	USD'000
Revenue from external customers		
China	71 136	93 509
South Africa	94 187	55 011
Singapore	27 220	36 820
Hong Kong	37 653	28 174
Other countries	10 535	1 941
	240 731	215 455
Specified non-current assets		
South Africa	254 547	270 441
Cyprus	14	61
China	6	55

	254 567	270 557

	30 Sep 2014 USD'000	30 Sep 2013 USD'000
5. LOSS BEFORE TAX		
Loss before tax is arrived at after charging:		
(a) Staff costs		
Directors' fees	598	732
Directors' salaries and other benefits	1 430	1 742
Salaries, wages and other benefits	19 682	20 005
Contributions to defined contribution retirement plans	1 623	1 540
Equity settled share based payment expense	389	-
	23 722	24 019
(b) Other items		
Allowance for inventory obsolescence	1 195	-
Fair value charge of financial assets	-	310
Impairment loss of goodwill	72	75
Amounts written-off directly in profit or loss	-	81
Impairment loss of property, plant and equipment	-	2 097
Write off of property, plant and equipment	25	-
Depreciation	10 764	12 438
Fees for professional services for the listing	2 610	3 126
Independent auditors' remuneration	504	608
Operating lease payments	425	342
Marketing fees	1 304	-

6. BASIC AND HEADLINE LOSS

The calculation of basic and diluted loss per share was based on the loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during each year.

Reconciliation of losses to headline losses		
Loss attributable to ordinary shareholders of the Company	(48 997)	(48 347)
Adjustments:		
Impairment of goodwill	72	75
Impairment loss of PPE mining assets and infrastructure	-	2 097
Tax effect on impairment of PPE	-	(587)
Headline loss	(48 925)	(46 762)
Basic and diluted loss per share (USD)	(0.20)	(0.20)
Headline and diluted headline loss per share (USD)	(0.20)	(0.19)
Weighted average number of ordinary shares outstanding during the year ('000)	247 879	241 591

For the purpose of calculating both basic and diluted loss per share and headline and diluted headline loss per share the weighted average number of ordinary shares used in the above calculations reflects the effect of the bonus issue and the conversion of the redeemable convertible preference shares as if it had occurred at the beginning of the earliest period presented.

	30 Sep 2014 USD'000	30 Sep 2013 USD'000
7. PROPERTY, PLANT AND EQUIPMENT		
Opening net book value	269 130	318 263
Additions	24 289	24 316
Net disposals	(36)	-
Impairment	-	(2 097)
Depreciation	(10 764)	(12 438)
Transfers	-	(1 769)
Exchange adjustment on translation	(29 263)	(57 145)
Closing net book value	253 356	269 130

Capital commitments
At 30 September 2014 the Group's capital commitments for contracts to purchase property, plant and equipment amounted to USD4.4 million (30 September 2013: USD10.7 million).

Securities
At 30 September 2014 an amount of USD249.1 million (30 September 2013: USD264.4 million) of the carrying amount of the Group's property, plant and equipment was pledged as security against secured bank borrowings.

	30 Sep 2014 USD'000	30 Sep 2013 USD'000
8. LONG-TERM DEPOSITS		
Restricted cash	14 479	7 708

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

9. DEFERRED TAX
During the year, Tharisa Minerals Proprietary Limited reassessed the recoverability of its deferred tax asset. The reassessment resulted primarily from the further losses incurred by Tharisa Minerals Proprietary Limited in the current financial year and the matters referred to in the going concern assessment detailed in note 2, particularly relating to the current trend of declining commodity prices experienced during the year.

A significant component of the deferred tax asset relates to the foreign exchange losses on the preference share liability due by Tharisa Minerals Proprietary Limited to the Company, which is denominated in USD. The exchange losses can only be claimed on redemption of the preference shares. The aforementioned factors have resulted in a revised cash flow forecast which indicates that the earliest redemption date of the preference shares is unlikely to be in the near term.

While Tharisa Minerals Proprietary Limited remains confident that the commodity prices will recover, based on the current commodity prices and the uncertainty of future prices, Tharisa Minerals Proprietary Limited is of the view that it would be prudent to take a more near term view in assessing the likelihood of utilising the deferred tax asset and has therefore derecognised a portion of the deferred tax asset.

As a result, Tharisa Minerals Proprietary Limited has derecognised USD13.1 million of its deferred tax asset and did not recognise a further USD9.3 million that arose during the year.

The estimates used to assess the recoverability of the recognised deferred tax asset include the following:
- an increase in commodity prices from the average prices achieved in November 2014 of 4.5% (being the mid-point of the SARB inflation target) per annum with effect from 1 April 2015
- the cash flow projections were based on a three-year period (in assessing the earliest commencement of the redemption of the preference share liability)
- forecast of taxable income.

In assessing the recoverability of the deferred tax recognised, management is satisfied that Tharisa Minerals Proprietary Limited will generate sufficient taxable income against which the recognised deferred tax asset on the tax losses and deductible temporary differences can be utilised.

	30 Sep 2014 USD'000	30 Sep 2013 USD'000
10. INVENTORIES		
Finished products	6 891	13 037
In progress metal	3 011	6 841
Ore stockpile	1 517	1 247
Consumables	3 148	2 918
	14 567	24 043

The Group provided for inventory obsolescence in the amount of USD1.2 million.

	30 Sep 2014 USD'000	30 Sep 2013 USD'000
11. CASH AND CASH EQUIVALENTS		
Bank balances	19 370	27 472
Call deposits	259	545
	19 629	28 017

USD4.8 million (2013: USD5.2 million) was provided as security for certain credit facilities and bank guarantees of the Group.

	30 Sep 2014 USD'000	30 Sep 2013 USD'000
12. REDEEMABLE PREFERENCE SHARES		
Convertible redeemable preference shares	-	260 291

The convertible redeemable preference shares were converted into fully paid ordinary shares on 10 April 2014.

	30 Sep 2014	30 Sep 2013
	USD'000	USD'000

13. BORROWINGS

Non-current:		
Secured bank borrowing	63 333	90 833
Other borrowings	890	1 979
	64 223	92 812
Current:		
Secured bank borrowing	17 899	19 854
Other borrowings	13 087	16 834
	30 986	36 688

The providers of the secured bank borrowing have waived certain facility covenants relating to the debt service cover ratio as at 30 September 2014 and have extended the date of completion of the technical completion tests to 28 November 2015. The interest rate was increased by 100 basis points to Jibar plus 490 basis points up to technical completion.

The short-term portion of the secured bank borrowing incorrectly included future interest not yet accrued on the facility, accordingly the comparative figures relating to the secured bank borrowing have been restated with the effect of increasing non-current financial liabilities by an amount of USD8.0 million and current financial liabilities reducing by the same amount.

14. FINANCIAL INSTRUMENTS

Financial instruments at fair value through profit or loss:

Non-current:		
Investments in cash funds and income funds	4 969	3 656
Interest rate caps	39	118
	5 008	3 774
Current:		
Investments at fair value through profit or loss	86	86
Discount facility	356	225
	442	311

15. SUBSEQUENT EVENT - CONTINGENT LIABILITY

The Company has, subsequent to the financial year end, 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 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 Board has taken legal advice and in the event legal proceedings are instituted, the Company will defend itself vigorously. In accordance with paragraph 92 of IAS 37 "Provisions, contingent liabilities and contingent assets" no further information is disclosed in relation to the subject matter on the grounds that it may prejudice the position of the Company in a dispute with other parties.

16. DIVIDENDS

In view of the loss incurred by the Group, the Board of Directors does not recommend the payment of dividends. The dividend policy of the Company is to pay a dividend of 10% of consolidated net profit after tax.

Paphos, Cyprus
15 December 2014

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