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

CONDENSED ANNUAL FINANCIAL STATEMENTS
For the year ended 30 September 2015

HIGHLIGHTS

PGM PRODUCTION
(6E)
UP 50.9%
118.0 koz
(2014: 78.2 koz)

CHROME CONCENTRATE PRODUCTION
UP 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
UP 2.5%
US$246.8m
(2014: US$240.7m)

OPERATING PROFIT
UP 211.9%
US$18.4m
(2014: US$5.9m)

NET CASH GENERATED
FROM OPERATIONS
UP 84.8%
US$41.4m
(2014: US$22.4m)

EBITDA
UP 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)

REVIEW FINANCIAL YEAR END SEPTEMBER 2015
Executive Chairman Loucas Pouroulis, Chief Executive Officer
Phoevos Pouroulis and Chief Finance Officer Michael Jones.

Dear Shareholder
In compiling this report we have been guided by materiality to 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 $6 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.

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 Lampert 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, representing a shortfall of 600 kt against our steady state plan. This, together with a lack of available inpit 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 59.4%, falling short of the plan of 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 from Johannesburg and transported by road to Durban from where it is shipped. The economies of scale and in-house expertise have ensured that our transport costs, a major cost of the group, remain competitive.

Arxo Logistics has sufficient storage capacity at both the Richards Bay Dry Bulk Terminal and the Durban container 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 this year, mostly to main ports in China. Of this, 87% was shipped in bulk, representing a 55% increase in bulk material shipment. 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:

	2015			2014		
US$ m	PGM	CHROME	TOTAL	PGM	CHROME	TOTAL
Revenue	83.1	163.7	246.8	70.4	170.4	240.8
Cost of sales*	63.9	139.8	203.7	53.5	154.7	208.2
- 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	62.8	62.9
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

Mining 55%
Utilities 6%
Reagents 7%
Steelballs 2%
Labour 5%
Diesel 16%
Overheads 9%

Chrome cash cost of sales

Mining 49%
Utilities 6%
Steelballs 5%
Labour 9%
Diesel 15%
Overheads 16%

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 to foreign currency losses of a subsidiary on inter-group preference shares being treated as a permanent difference until their redemption.

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.

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 shareholder's 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 Sept 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)

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 authorized for issue by the Board of Directors on 3 December 2015.

P Pouroulis
Director

MG Jones
Director

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

	Attributable to owners of the Company			Attributable to owners of the Company				
	Share capital US$'000	Share premium US$'000	Other reserve US$'000	Foreign currency translation reserve US$'000	Revenue reserve US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
Balance at 1 October 2013	6	113 342	47 245	(30 170)	(167 859)	(37 436)	(16 205)	(53 641)
Total comprehensive income for the year								
Loss for the year	–	–	–	–	(48 997)	(48 997)	(5 876)	(54 873)
Other comprehensive income:								
Foreign currency translation reserve	–	–	–	(17 191)	–	(17 191)	(3 971)	(21 162)
Total comprehensive income for the year	6	113 342	47 245	(17 191)	(48 997)	(66 188)	(9 847)	(76 035)
Transactions with owners of the Company, recognised directly in equity								
Share issue expenses	–	(1 416)	–	–	–	(1 416)	–	(1 416)
Equity-settled share based payments	–	–	–	–	260	260	–	260
Issue of share capital 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
Contribution by owners of the Company	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 1 October 2014	255	452 363	47 245	(47 361)	(216 596)	235 906	(26 052)	209 854
Total comprehensive income for the year								
Profit for the year								
Other comprehensive income:	–	–	–	–	4 623	4 623	1 392	6 015
Foreign currency translation reserve	–	–	–	(29 344)	–	(29 344)	(10 055)	(39 399)
Total comprehensive income for the year	–	–	–	(29 344)	4 623	(24 721)	(8 663)	(33 384)
Transactions with owners of the Company, recognised directly in equity								
Reclassification of non-controlling interest	–	–	–	–	3 079	3 079	(3 079)	–
Equity-settled share based payments	–	–	–	–	2 317	2 317	–	2 317
Issue of ordinary shares	1	149	–	–	11	161	–	161
Contributions by owners of the Company	1	149	–	–	5 407	5 557	(3 079)	2 478
Total transactions with owners of the Company	1	149	–	–	5 407	5 557	(3 079)	2 478
Balance at 30 September 2015	256	452 512	47 245	(76 705)	(206 566)	216 742	(37 794)	178 948

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

Notes to the condensed consolidated financial statements
for the year ended 30 September 2015

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.

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.

	PGM	CHROME	TOTAL
30 September 2015	US$'000	US$'000	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	30 Sep 2014
	US$'000	US$'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

5. ADMINISTRATIVE EXPENSES

	30 Sep 2015 US$'000	30 Sep 2014 US$'000
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: Nil) of property, plant and equipment.

6. TAX

	30 Sep 2015 US$'000	30 Sep 2014 US$'000
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 ended 30 September 2015 and 30 September 2014, the Group wrote down its inventories by US$0.2 million and US$1.2 million respectively. The write down is included in cost of sales.

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	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).

The full audited Annual Financial Statements and the results presentation will be available for download in the Investor Relations section of the website on 9 December 2015. For any questions regarding the results, please contact our Investor Relations Manager, Sherilee Lakmidas at slakmidas@tharisa.com.

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