

**Kenmare Resources plc**  
("Kenmare" or "the Company" or "the Group")

14 December 2023

### **Projects Update**

Kenmare Resources plc (LSE:KMR, ISE:KMR), one of the leading global producers of titanium minerals and zircon, which operates the Moma Titanium Minerals Mine (the "Mine" or "Moma") in northern Mozambique, provides an update on capital projects and outlook.

#### **Statement from Michael Carvill, Managing Director:**

*"The Board has given further approvals for the upgrade of Wet Concentrator Plant ("WCP") A and transition to the Nataka ore zone. The project is expected to deliver consistent production volumes for decades to come and maintain Kenmare's low operating costs, targeting the retention of a first quartile industry position.*

*Production expectations for 2023 remain in line with the revised guidance provided in July. Guidance for 2024 will be provided with the Q4 2023 update in mid-January, with production expected to be broadly in line with the 2023 revised guidance range.*

*Ilmenite pricing in 2024 is expected to be lower than 2023. However, Kenmare expects improved demand to emerge in 2024, as the year progresses and believes the medium-term and long-term fundamentals for all products remain strong."*

#### **Overview**

- The Board has approved for execution an upgrade to WCP A and development of a Tailings Storage Facility ("TSF"), enabling the transition of WCP A to its new mining zone in Nataka
- As previously announced, a contract to construct two higher-capacity dredges was awarded in September and is now in execution phase
- The remaining element of the project, relating to infrastructure, is currently in Definitive Feasibility Study ("DFS") phase, scheduled for completion in Q2 2024
- Capital expenditure to the end of 2026 on the upgrade of WCP A and ancillary infrastructure is now expected to be between \$316-331 million
- The Final Investment Decision ("FID") for an upgrade of WCP B has been deferred while the WCP A investment is prioritised
- Refinancing of debt facilities is expected to complete in Q1 2024, with the existing \$40 million Revolving Credit Facility already renewed to end 2024
- Dividends in respect of 2023 to be broadly in line with 2022

#### **WCP A Project Update**

WCP A will complete mining at Namalope in late 2025, and commence its transition to the Nataka ore zone, where it is expected to operate for the remainder of its economic life, exceeding 20 years.

The principal components of the project include the replacement of WCP A's two existing dredges with higher-capacity dredges, the addition of a desliming circuit, and the construction of a TSF. The DFS for these elements have now been completed and execution has been approved by the Board. The DFS for the supporting infrastructure is underway and is expected to be completed in Q2 2024.

#### **WCP A Capital Costs**

Total capital costs for the two new dredges, the WCP A upgrade and the TSF are estimated at \$225 million. While the WCP A Infrastructure DFS is still underway and scheduled to be completed in Q2 2024, costs are currently estimated to be \$91-106 million. Therefore, the total capital cost to the end of 2026 is estimated to be between \$316-331 million, with approximately \$10 million of additional infrastructure in subsequent years.

#### **WCP B Upgrade Project**

A DFS to upgrade WCP B is currently underway and is expected to be completed in Q2 2024. The upgrade would add an additional 1,000tph of capacity to the existing 2,400tph plant, increasing its capacity by almost 42%.

The Company has decided to defer the FID on this project while it prioritises the WCP A investment. Following the FID, the WCP B upgrade would take approximately 15 months.

#### **Financing and Shareholder Returns**

In September 2023, the Company commenced a debt refinancing process to support its capital investment plans. Significant progress has been made and the refinancing is expected to complete in Q1 2024.

Kenmare's existing \$40 million Revolving Credit Facility previously had a maturity date of 11 December 2023, and has now been extended to December 2024, with interest at SOFR plus 4.25% per annum.

Total dividends in respect of 2023 are expected to be approximately \$50 million. In subsequent years revenues and dividends will be partially subject to commodity prices and may be lower than 2023, although the Company would expect to use the full range of its 20-40% Profit After Tax dividend policy.

The person responsible for the release of this announcement on behalf of the Company for the purposes of MAR is Chelita Healy, Company Secretary.

For further information, please contact:

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**Important Notice**

This Announcement contains inside information.

**About Kenmare Resources**

Kenmare Resources plc is one of the world's largest producers of mineral sands products. Listed on the London Stock Exchange and the Euronext Dublin, Kenmare operates the Moma Titanium Minerals Mine in Mozambique. Moma's production accounts for approximately 7% of global titanium feedstocks and the Company supplies to customers operating in more than 15 countries. Kenmare produces raw materials that are ultimately consumed in everyday quality-of-life items such as paints, plastics, and ceramic tiles.

*All monetary amounts refer to United States dollars, unless otherwise indicated.*

**Forward Looking Statements**

This announcement contains some forward-looking statements that represent Kenmare's expectations for its business, based on current expectations about future events, which by their nature involve risks and uncertainties. Kenmare believes that its expectations and assumptions with respect to these forward-looking statements are reasonable. However, because they involve risk and uncertainty, which are in some cases beyond Kenmare's control, actual results or performance may differ materially from those expressed or implied by such forward-looking information.