

Kenmare Resources plc
(“Kenmare” or “the Company” or “the Group”)

17 July 2024

Q2 and H1 2024 Production Report

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, is pleased to provide a trading update for the quarter and half year ending 30 June 2024 (“Q2 2024” and “H1 2024”).

Statement from Michael Carvill, Managing Director:

“At the end of the first half we are on track to achieve our 2024 guidance on all stated metrics. Higher ore grades in H2 are expected to support stronger production and shipments are also expected to rise.

Demand for all of our products remains robust and ilmenite prices in H1 were above our expectations, bolstered by increasing global pigment production.

Kenmare ended the period with \$58.5 million of cash, having paid \$34.4 million in dividends and repaid all debt. The Company is well capitalised to fund the upgrade and transition of Wet Concentrator Plant A and to continue making shareholder returns.”

Q2 2024 overview

- Lost Time Injury Frequency Rate (“LTIFR”) of 0.09 per 200,000 hours worked for the 12 months to 30 June 2024 (30 June 2023: 0.18)
- Kenmare is on track to achieve 2024 guidance across all stated metrics, with higher forecast grades driving increased production in H2
- Heavy Mineral Concentrate (“HMC”) production of 342,600 tonnes in Q2 2024, a 7% increase year-on-year (“YoY”), due to an 8% increase in excavated ore volumes and higher heavy mineral recoveries, offsetting the 5% lower ore grade
- Ilmenite production of 238,600 tonnes in Q2 2024, up 8% YoY, due to a 6% increase in HMC processed and greater ilmenite content in the HMC
- Primary zircon production of 13,000 tonnes, up 12% YoY, due to increased HMC processed and benefitting from drawdown of intermediate stocks and higher recoveries
- Total shipments of finished products of 234,700 tonnes, down 18% YoY, due primarily to poor weather conditions and additional operational maintenance, limiting shipping time
- As previously announced, Kenmare’s Board approved the final part of the Definitive Feasibility Study (“DFS”) in Q2 2024 for the upgrade and transition of Wet Concentrator Plant (“WCP”) A to the large Nataka ore zone
- Encouraging market conditions continued in Q2 2024, with demand particularly robust for Kenmare’s ilmenite, and the Company has a strong order book for Q3
- At the end of H1 2024, net cash increased by \$36.4 million to \$57.1 million (31 December 2023: \$20.7 million)
- As previously announced, Managing Director Michael Carvill will step down from his executive role and Board position on 14 August 2024 – the process to find his successor is approaching its conclusion and Kenmare will provide an update ahead of the Interim Results

Operations update

Production from the Moma Mine in Q2 2024 and H1 2024 was as follows:

	Q2 2024	Q2 2023	Q1 2024	H1 2024	H1 2023
	tonnes	% variance	% variance	tonnes	% variance
Excavated ore ¹	10,386,000	8%	13%	19,601,000	7%
Grade ¹	3.84%	-5%	-8%	3.97%	-5%
Production					
HMC production	342,600	7%	8%	659,000	4%
HMC processed	343,200	6%	11%	651,100	2%
Ilmenite	238,600	8%	16%	441,100	4%
Primary zircon	13,000	12%	56%	21,300	-7%
Rutile	2,500	32%	65%	4,000	12%
Concentrates ²	11,700	13%	22%	21,400	4%
Shipments	234,700	-18%	-3%	477,600	-14%

1. Excavated ore tonnage and grade prior to any floor losses.

2. Concentrates include secondary zircon and mineral sands concentrate.

As reported on 3 June 2024, Kenmare was deeply saddened by a fatality at the Moma Mine on 1 June 2024. An excavator operator employed

by one of Kenmare's contractors was involved in a fatal incident during the night shift. He was part of a team of contractor employees establishing a new dry mining area for the WCP A operations. Investigations have found that his death was related to activities outside of the ordinary course of operations and Kenmare is co-operating fully with the authorities.

Kenmare's rolling 12-month LTIFR to 30 June 2024 was 0.09 per 200,000 hours worked (Q2 2023: 0.18). One Lost Time Injury ("LTI") was recorded during Q2 2024, not including the fatality as it was non-work related. Prior to this, the Moma team had achieved almost five million hours worked without an LTI, which is equivalent to eight months' work.

HMC production was 342,600 tonnes in Q2 2024, a 7% increase compared to Q2 2023 (318,900 tonnes). This was the product of an 8% increase in excavated ore volumes to 10,386,000 tonnes (Q2 2023: 9,606,000 tonnes) and higher heavy minerals recovery, offsetting the 5% decrease in ore grades to 3.84% Total Heavy Minerals ("THM") (Q2 2023: 4.03% THM), in line with expectations. Stronger heavy minerals recoveries are due to improvements at all three mining plants during the past year, including the addition of clean water to spiral separation at WCP A and the return to better mining conditions at WCP C.

Production of finished products increased by 8% in Q2 2024 compared to Q2 2023, due primarily to a 6% increase in HMC processed. Ilmenite production was 238,600 tonnes, up 8% compared to Q2 2023 (221,300 tonnes), benefitting from greater ilmenite content in the HMC. Primary zircon production was up 12% to 13,000 tonnes (Q2 2023: 11,600 tonnes) and rutile production was up 32% (Q2 2023: 1,900), both supported by the drawdown of intermediate stocks and higher recoveries. Concentrates production was 11,700 tonnes, up 13% (Q2 2023: 10,400 tonnes), also due to the drawdown of intermediate stocks.

At the end of H1, Kenmare is on track to achieve its 2024 guidance on all stated metrics. The Company continues to expect production to increase in H2, supported by higher forecast ore grades.

Total shipments in Q2 2024 were 234,700 tonnes, down 18% on Q2 2023 (285,100 tonnes), due primarily to poor weather conditions and operational issues at Kenmare's shipping facilities, limiting shipping time. Additional maintenance was required on the product transfer conveyor system during the quarter, and the system is now fully equipped to accommodate increased loadout rates in H2 2024. Shipments comprised 216,200 tonnes of ilmenite, 8,200 tonnes of primary zircon, and 10,400 tonnes of concentrates. No rutile was shipped during the quarter. Shipments in Q1 2024 were 242,900 tonnes, as reported, and this included 600 tonnes of primary zircon as a result of a draft survey adjustment from a shipment in Q4 2023.

Closing stock of HMC at the end of Q2 2024 was 24,600 tonnes, compared to 25,300 tonnes at the end of Q1 2024. Closing stock of finished products at the end of Q2 2024 was 273,000 tonnes, compared to 241,800 tonnes at the end of Q1 2024, reflecting production exceeding shipments during the quarter. Due to stronger production expected in H2 2024 and the current high levels of finished product stock, Kenmare expects stock levels to remain higher than usual during H2, before normalising during H1 2025.

Capital projects update

As announced on 4 July 2024, Kenmare's Board has approved the final part of the DFS, relating to infrastructure, for the WCP A upgrade and transition to Nataka. Nataka is the largest ore zone in Kenmare's portfolio and WCP A's transition to this area secures production from Moma for decades to come.

The total capital costs for the project remain in line with previous estimates, totalling \$341 million. Ongoing detailed engineering and scheduling work has deferred \$38 million of expected capital expenditure from 2024 into subsequent years, in line with the evolving mine plan.

Works are advancing well for the upgrade, with the fabrication of the two new dredges and the upfront desliming circuit progressing, and the detailed design of the Tailings Storage Facility ("TSF") on track for completion in Q3 2024. Construction of the TSF is expected to begin in Q4 2024.

Work continues on both the DFS for the WCP B upgrade, which is expected to increase WCP B's capacity by over 40%, and the Pre-Feasibility Study for the Congolone ore zone, which is a potential future growth opportunity for the Company. Kenmare expects to provide an update on both studies with the Company's Interim Results, which will be announced on 14 August 2024.

Corporate update

As announced on 15 March 2024, Managing Director Michael Carvill will step down from his executive role and the Board at the Interim Results on 14 August 2024.

The Board's Nomination Committee has been working with an executive search firm to choose Michael's successor, with internal and external candidates being considered. This process is approaching its conclusion and Kenmare will provide an update ahead of the Interim Results.

Market update

Kenmare experienced robust demand for all of its products in Q2 2024, particularly for ilmenite. Spot prices for ilmenite remained relatively stable throughout H1, however Kenmare's average received price decreased slightly in Q2 compared to Q1 2024, due to some shipments rolling over from Q4 2023, when prices were stronger. Despite this, prices in H1 were above the Company's expectations.

Chinese pigment producers continued to produce at record levels during the quarter. Demand for Kenmare's ilmenite was also bolstered by an uptick in operating rates among pigment producers in Europe and the United States to meet stronger underlying demand, as well as some

restocking of titanium feedstocks. Speculation surrounding potential duties on Chinese pigment entering the European Union further supported demand and prices for European pigment.

Global supply of titanium feedstocks remains sufficient to meet demand, with new supply from Chinese producers in African countries shipping concentrates to China for processing. However, this was partially offset by the suspension of operations in Sierra Leone and continued Mineral Resource depletion in Kenya. In the medium to long term, Kennmare believes that supply constraints will lead to global demand exceeding supply, supporting the fundamentals for all of the Company's products.

The zircon market remains relatively stable. Demand for zircon sand improved in Europe in Q2 2024, particularly from the ceramics industry. In China, the market softened following the improvement in late Q1 2024. However, Kennmare continues to experience robust demand for its concentrates in China due to the quality of the contained products.

Kennmare has a strong order book for Q3 2024 as the Company's customers restock their titanium feedstock inventories, following Kennmare's disrupted shipping performance in Q2. Zircon shipments delayed from Q2 will also be shipped in Q3 2024, with consequent positive impact on H2 product mix and revenues.

Finance update

On 17 May 2024, Kennmare paid its 2023 final dividend of US\$38.54 per share. This was the balancing payment of a 2023 full year dividend of US\$56.04 per share, representing a dividend payout ratio of 38% of profit after tax (2022: 25%).

Following the 2023 final dividend distribution of \$34.4 million and principal debt repayments relating to the previous term loan facility of \$47.1 million during H1 2024, cash and cash equivalents were \$58.5 million at 30 June 2024 (31 December 2023: \$71.0 million). Kennmare had no debt at the end of H1 2024 (31 December 2023: \$50.3 million) and lease liabilities were \$1.3 million (31 December 2023: \$1.5 million). Accordingly, at 30 June 2024, Kennmare's net cash had increased by \$36.4 million to \$57.1 million, compared to \$20.7 million at 31 December 2023.

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About Kennmare Resources

Kennmare Resources plc is one of the world's largest producers of mineral sands products. Listed on the London Stock Exchange and the Euronext Dublin, Kennmare 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. Kennmare 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 Kennmare's expectations for its business, based on current expectations about future events, which by their nature involve risks and uncertainties. Kennmare 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 Kennmare's control, actual results or performance may differ materially from those expressed or implied by such forward-looking information.