

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

11 April 2024

Q1 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 ending 31 March 2024 ("Q1 2024").

Statement from Michael Carvill, Managing Director:

"Our team at the Moma Mine has now worked for over six months without incurring a Lost Time Injury and I would like to congratulate all of our employees for this exceptional achievement."

"Production in Q1 was in line with our expectations and consistent with guidance. We anticipate production will strengthen through the rest of the year, due to a stronger grade profile and typically fewer seasonal power interruptions."

"The markets for our products were encouraging in Q1, with stronger than expected demand, particularly for ilmenite. This was driven by recovering titanium pigment demand and the continued growth of the titanium metal market."

Overview

- Improved Lost Time Injury Frequency Rate ("LTIFR") of 0.09 per 200,000 hours worked on a 12-month rolling basis (Q1 2023: 0.15) and zero Lost Time Injuries ("LTIs") in Q1 2024
- Heavy Mineral Concentrate ("HMC") production in Q1 2024 of 316,400 tonnes, in line with Q1 2023 (315,000 tonnes)
- Ilmenite production of 205,500 tonnes, in line with Q1 2023 (204,300 tonnes)
- Reduced production of other finished products due to significant maintenance work underway in the Mineral Separation Plant ("MSP"), including primary zircon production of 8,300 tonnes (Q1 2023: 11,400 tonnes), rutile production of 1,500 tonnes (Q1 2023: 1,700 tonnes), and concentrates production of 9,600 tonnes (Q1 2023: 10,100 tonnes)
- Total shipments of 242,900 tonnes in Q1 2024, down 11% on Q1 2023 (271,700 tonnes), excluding approximately 34,000 tonnes that were loaded in Q1 but shipped in Q2
- Encouraging product market conditions in Q1 2024, with higher than expected demand, and Kenmare has a strong order book for Q2
- As announced on 15 March 2024, Managing Director Michael Carvill will step down from his executive role and Board position later this year – a process to appoint his successor is underway
- Kenmare is on track to achieve its 2024 guidance, with production still expected to be weighted towards the second half of the year

Operations update

Operational results from the Moma Mine in Q1 2024 were as follows:

	Q1 2024	Q1 2023	Variance	Q4 2023	Variance
	tonnes	tonnes	%	tonnes	%
Excavated ore¹	9,215,000	9,258,000	0%	9,348,000	-1%
Grade¹	4.15%	4.13%	0%	4.83%	-14%
Production					
HMC production	316,400	315,000	0%	399,800	-21%
HMC processed	307,800	314,800	-2%	399,800	-23%
Ilmenite	205,500	204,300	1%	269,600	-24%
Primary zircon	8,300	11,400	-27%	14,000	-41%
Rutile	1,500	1,700	-12%	2,100	-29%
Concentrates ²	9,600	10,100	-5%	10,500	-9%
Shipments	242,900	271,700	-11%	324,900	-25%

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

2. *Concentrates include secondary zircon and mineral sands concentrate.*

In late February 2024, Kenmare passed three million hours worked without an LTI. No LTIs were incurred in Q4 2023 or Q1 2024 and the Company's rolling 12-month LTIFR improved to 0.09 per 200,000 hours worked (31 March 2023: 0.15).

HMC production in Q1 2024 was 316,400 tonnes, in line with Q1 2023 (315,000 tonnes), due to seasonal power interruptions as a result of the southern hemisphere rainy season. The cumulative impact of the power interruptions in Q1 2024 was greater than the downtime caused by the severe lightning strike in February 2023 and materially exceeded the average impact on operations experienced during the first quarter of the past five years. Production of HMC, and consequently all finished products, was lower in Q1 2024 than in the previous quarter due primarily to expected lower ore grades.

HMC processed in Q1 2024 was 307,800 tonnes, a 2% decrease compared to Q1 2023 (314,800 tonnes). HMC processed was 3% lower (8,600 tonnes) than HMC produced in Q1 due to significant maintenance work taking place in the MSP. The aim of this work was to address underperformance in various circuits, so HMC was held back from processing until the work was completed. Another contributing factor to the lower HMC processed was the reliability of one of the four engines in the Rotary Uninterruptible Power Supply ("RUPS"). All four engines were working for over 60% of the quarter, however for the periods without the fourth engine, the RUPS' ability to mitigate power interruptions was reduced. An investigation is underway to determine the repair time for the fourth engine.

Ilmenite production in Q1 2024 was 205,500 tonnes, in line with Q1 2023 (204,300 tonnes). Ilmenite production benefitted from the processing of intermediate stockpiles, offsetting the slight reduction in HMC processed. Intermediate stockpiles are comprised of partially processed materials in the MSP that have not yet been fully separated into one of Kenmare's four product streams. The Company draws on this material to optimise the separation process in the MSP.

Primary zircon production was 8,300 tonnes in Q1 2024, a 27% decrease on Q1 2023 (11,400 tonnes), due to challenges in the zircon circuit. This resulted in lower recoveries and higher than usual quantities of material being sent to the intermediate stockpiles, which will be processed in the coming quarters.

Rutile production was 1,500 tonnes, a 12% decrease (Q1 2023: 1,700 tonnes), and concentrates production was 9,600 tonnes, a 5% decrease (Q1 2023: 10,100 tonnes). These product streams were impacted by the same challenges in the MSP. Concentrates production benefitted from lower recoveries in primary zircon and rutile production.

At the end of Q1, Kenmare is on track to achieve its 2024 guidance on all stated metrics. Production is forecast to strengthen from Q2 onwards due to improved power stability in the dry season and higher expected grades in H2.

Shipments were 242,900 tonnes in Q1 2024, down 11% compared to Q1 2023 (271,700 tonnes). However, an additional 34,000 tonnes that were loaded in March are not included as the shipments were not completed until early April, so these tonnes will be reflected in the Q2 shipment volumes. If these additional tonnes are taken into consideration, Q1 2024 shipments are in line with Q1 2023. Shipments were comprised solely of ilmenite during the quarter.

Closing stock of HMC at the end of Q1 2024 was 25,300 tonnes, compared with 16,700 tonnes at year-end 2023. This stock build was due to the difference between HMC produced and HMC processed in the quarter, as a result of maintenance work in the MSP. Closing stock of finished products at the end of Q1 2024 was 241,800 tonnes (Q4 2023: 259,100 tonnes), including the 34,000 tonnes of shipments that completed in early April.

Capital projects

Preparations continue for the upgrade of Wet Concentrator Plant (“WCP”) A ahead of its transition to the large Nataka ore zone. WCP A will complete its current mine path in Namalope in late 2025 and then mine its way to Nataka, where it will operate for the remainder of its economic life. Nataka represents over 70% of Moma’s Mineral Resources and transitioning WCP A to this ore zone is key to securing production from Moma for decades to come.

The upgrade of WCP A consists of three key elements and their status is as follows:

- 1) Replacing existing two dredges with new, higher capacity dredges – new dredges ordered in September 2023 and fabrication commenced in Q1 2024
- 2) Installing upfront desliming circuit to more effectively manage slimes at Nataka – fabrication of desliming circuit commenced in early Q1 2024
- 3) Introduction of a Tailings Storage Facility (“TSF”) to replace complex paddock system – detailed design of TSF is underway and community engagement is in progress

The Definitive Feasibility Study for the additional infrastructure for WCP A’s transition to Nataka remains on track to be completed in Q2 2024. Work is also continuing on the Pre-Feasibility Study for Congolone, a potential future growth opportunity for Kenmare, and this is also scheduled for completion in Q2.

Market update

The market for Kenmare’s products was robust in Q1 2024, with stronger than expected demand, particularly for the Company’s ilmenite products. Spot prices for ilmenite have been stable since early Q4 2023, however average received prices were lower in Q1 compared to the previous quarter. This was due to lower contracted prices reflecting the softer market conditions in H2 2023.

Demand from the titanium pigment industry rebounded more strongly than expected in Q1 2024. Pigment producers ramped up production in response to an improving sales outlook, most notably in Europe and North America, and ilmenite inventories are at low levels. Demand for titanium feedstocks from the titanium metal sector remains strong.

Supply of titanium feedstocks remains at a high level but production disruptions due to the suspension of some operations in Mozambique and Sierra Leone are causing uncertainty in the market.

The zircon market has shown some positive signs of recovery following the Lunar New Year. Supply of high-quality products is constrained, leading to stronger prices in the spot market. This has been supported by growing demand in India, however demand in Europe remains relatively weak.

Kenmare has a strong order book for Q2 2024 and expects to continue to draw down product inventories to meet this demand.

Corporate update

As announced on 15 March 2024, Managing Director Michael Carvill will step down from his executive role and Board position later this year. Subject to re-appointment at the Company's Annual General Meeting on 10 May 2024, it is expected that Michael will remain on the Board and in his executive role until the Company's Interim Results in August. Following this, and to support an orderly transition process, Michael will continue to be available to the Company in a consultancy capacity until at least the end of 2024.

Kenmare's Nomination Committee has commenced a process to appoint Michael's successor and will consider both internal and external candidates. The result of this process will be announced in due course.

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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.