Q3 2023 Production Report

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

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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 30 September 2023 ("Q3 2023").

Statement from Michael Carvill, Managing Director:

"Production strengthened in Q3 as expected, putting Kenmare firmly on track to achieve revised 2023 guidance. Ilmenite production was up 32% quarter-on-quarter, as operations were consistently stable, and this robust production is expected to continue in Q4.

Following strong product pricing in H1 2023, weaker global economic activity impacted the markets for Kenmare's products in Q3, although demand for our high-quality ilmenite remains resilient. Shipments were impacted by the loading of two vessels completing after quarter-end, meaning they will be attributed to Q4.

We completed a share buy-back of $30 million during the quarter, representing 5.9% of our share capital, as part of our policy to supplement shareholder returns when resources permit."

Q3 2023 overview

- Lost Time Injury Frequency Rate ("LTIFR") of 0.21 per 200,000 hours worked for the 12 months to 30 September 2023 (30 September 2022: 0.03)
- Heavy Mineral Concentrate ("HMC") production of 414,600 tonnes in Q3 2023, a 7% decrease compared to Q3 2022 (443,900 tonnes), driven by lower ore grades, but up 30% on Q2 2023
- Ilmenite production of 291,200 tonnes in Q3 2023, a 4% decrease compared to Q3 2022 (304,700 tonnes) due to lower HMC processed, but up 32% on Q2 2023
- Primary zircon production of 14,100 tonnes, an 18% decrease compared to Q3 2022 (17,300 tonnes), due to lower HMC processed and a build of intermediate stockpiles, but up 22% on Q2 2023
- Total shipments of finished products of 163,400 tonnes, a 43% decrease compared to Q3 2022 (285,600 tonnes) as two large ilmenite shipments completed after quarter-end - these will be recorded as Q4 2023 shipments
- Kenmare remains on track to achieve revised 2023 production guidance
- The Definitive Feasibility Study ("DFS") for the upgrade and relocation of Wet Concentrator Plant ("WCP") A is expected in H1 2024, with orders already placed for the replacement dredges given their long lead times
- Weaker global economic activity led to lower average prices achieved for ilmenite in Q3 2023, although demand remains strong for Kenmare's high quality products
- Contracted zircon prices remained largely stable although reduced global construction activity is impacting ceramics demand, with zircon spot prices coming under increasing pressure

Operations update

Production from the Moma Mine in Q3 2023 was as follows:

	Q3 2023 tonnes	Q3 2022 tonnes	Q3 2022 % variance	Q2 2023 tonnes	Q2 2023 % variance
Excavated ore[1]	10,822,000	10,424,000	4%	9,606,000	13%
Grade[1]	4.32%	4.95%	-13%	4.03%	7%
Production					
HMC production	414,600	443,900	-7%	318,900	30%
HMC processed	412,900	440,500	-6%	322,900	28%
Ilmenite	291,200	304,700	-4%	221,300	32%
Primary zircon	14,100	17,300	-18%	11,600	22%
Rutile	2,700	2,600	4%	1,900	42%
Concentrates[2]	14,700	13,000	13%	10,400	41%
Shipments	163,400	285,600	-43%	285,100	-43%

1. Excavated ore tonnage and grade prior to any floor losses.
2. Concentrates include secondary zircon and mineral sands concentrate.

Kenmare's rolling 12-month LTIFR to 30 September 2023 was 0.21 per 200,000 hours worked (Q3 2022: 0.03), with two lost time injuries recorded during Q3 2023. Kenmare is committed to ensuring the health and safety of its employees and contractors across its operations. The Company continues to focus on the training and development of its employees and contractors to be proactive and consistent in the identification, assessment, management and mitigation of potential health and safety risks.

HMC production was 414,600 tonnes in Q3 2023, representing a 7% decrease compared to Q3 2022 (443,900 tonnes). This was a product of a 13% decrease in ore grades to 4.32% (Q3 2022: 4.95%) partially offset by a 4% increase in excavated ore volumes to 10.8 million tonnes (Q3 2022: 10.4 million tonnes). HMC recoveries improved at all Wet Concentrator Plants. The introduction of clean water to spiral separation at WCP A has had a meaningful impact and WCP C is now mining ore after the tailings crossing.

Ilmenite production was 291,200 tonnes, the strongest quarterly production of the year to date. However, it represented a 4% decrease compared to Q3 2022 (304,700 tonnes) due to the reduction in HMC processed.

Primary zircon production was 14,100 tonnes in Q3 2023, an 18% decrease compared to Q3 2022 (17,300 tonnes). Recoveries were impacted in Q3 2023 by power reliability issues leading to increased stock spillage. The Rotary Uninterruptible Power Supply ("RUPS") is now back in service following implementation of design corrections and it will help protect against grid power instability. Lower utilisation of the circuit caused a build-up of intermediate feedstocks, which are expected to be largely drawn down in Q4 2023.

Rutile production was 2,700 tonnes, up 4% on the prior year and 42% on the prior quarter (Q3 2022: 2,600 tonnes, Q2 2023: 1,900 tonnes). This reflects increased rutile feed grade in HMC and improved recoveries as a result of separation equipment upgrades.

Concentrates production was 14,700 tonnes, up 13% on Q3 2022 (13,000 tonnes), benefitting from increased feed availability and debottlenecking of the circuit, which facilitated increased throughputs.

Total shipments in Q3 2023 were 163,400 tonnes, a 43% decrease compared to Q3 2022 (285,600 tonnes), largely due to two ilmenite shipments being completed after quarter-end and falling into Q4 2023. Shipments comprised 143,200 tonnes of ilmenite, 9,200 tonnes of primary zircon, and 11,000 tonnes of concentrates.

Closing stock of HMC at the end of Q3 2023 was 16,700 tonnes, compared to 15,000 tonnes at the end of Q2 2023. Closing stock of finished products at the end of Q3 2023 was 288,400 tonnes, compared to 129,000 tonnes at the end of Q2 2023, reflecting shipments carried into Q4 2023.

Capital projects update

The DFS for the WCP A upgrade and transition to Nataka is scheduled for completion in H1 2024. Studies have been completed for the replacement dredges, which are long lead time items, and an order has been placed, thereby providing price certainty on the construction costs for this important element of the project. The construction, transportation and installation costs of the dredges are now expected to be approximately 15% higher than the Pre-Feasibility Study estimate.

Market update

Demand for titanium feedstocks and zircon softened in Q3, reflecting weaker global economic activity, and consequently Kenmare achieved lower average prices compared to the previous quarter. Despite the current headwinds, the Company believes the medium- and long-term fundamentals for all of its products remain strong.

Pigment production in China, one of Kenmare's key markets, continues at high levels supported by new capacity. Pigment exports from China are at record levels and competing aggressively in the global market, with major producers outside of China lowering utilisations and closing selected plants in response.

Feedstock supply has remained flat during the year. Ilmenite concentrates entering China remain the largest source of new supply offsetting supply disruptions at several large operations outside China, which are continuing in Q4 2023. This is coupled with major producers reducing their supply to the market, reflecting the weaker demand.

Demand for high-quality ilmenite has been more resilient than other titanium feedstocks, benefiting from the strong pigment production in China and the thriving titanium metal market, supporting relatively stable demand for Kenmare's ilmenite products.

Kenmare expects to achieve higher sales volumes in Q4 2023, as the loading of some vessels at the end of Q3 was completed after quarter-end so these will be recorded in Q4. Some other shipments were also delayed by customers from Q3 into Q4.

Demand for zircon is following a similar trend to ilmenite. Subdued global construction activity is impacting demand for ceramics and this is flowing through to the zircon market. Contracted prices have remained relatively stable, although spot prices have come under increasing pressure.

Kenmare expects to achieve strong zircon sales in Q4 2023, with contracts in place for most of its volume.

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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.