Kenmare Resources plc, 4th Floor, Styne House, Hatch Street Upper, Dublin 2, D02 DY27, Ireland
T: +353 1 671 0411 E: info@kenmareresources.com W: www.kenmareresources.com

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

20 March 2024

# 2023 PRELIMINARY RESULTS

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, today announces its preliminary results for the 12 months to 31 December 2023.

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

*“In 2023, Kenmare delivered $220 million of EBITDA, the second strongest in its history and representing a 50% EBITDA margin. The Board is proposing a full year dividend of USc56.04 per share for 2023, up 3% on 2022, and bringing shareholder returns to over $250 million since 2019.*

*This sound financial performance was delivered against a backdrop of operational challenges and a weaker product market. With 2024 well underway, Kenmare is on track to achieve its annual production guidance, although production is still expected to be second half weighted. The markets for our products have been stronger than anticipated in 2024 to date, driven by improving demand for titanium pigment.*

*As previously announced, I will be stepping down as MD later this year. I am very proud of what Kenmare has achieved over the past 38 years and I am confident that the Company will continue to create value for all stakeholders.”*

## 2023 overview

*Financial*

- Recommended 2023 dividend of $50.0 million or USc56.04 per share, a 3% increase compared to 2022 (USc54.31), comprising an interim dividend of USc17.50 per share (paid in October 2023) and a final dividend of USc38.54 per share (payable in May 2024)
- Mineral product revenue of $437.1 million, a 12% decrease compared to 2022 ($498.3 million), driven by a 10% lower average price received for Kenmare’s products, due to weaker markets and a 3% reduction in shipments
- Total cash operating costs of $228.1 million, up 4% on 2022 ($218.7 million), due to increased heavy mobile equipment rental, higher fuel costs, and costs associated with a severe lightning strike in Q1 2023
- Cash operating costs per tonne of $209, a 15% increase compared to 2022 ($182 per tonne), due to higher total cash operating costs and a 9% decrease in production of finished products
- EBITDA of $220.3 million, representing a strong EBITDA margin of 50% (2022: 60%), despite weaker product pricing driving a 26% decrease on 2022 ($298.0 million)
- Profit after tax of $131.0 million, down 36% on 2022 ($206.0 million)
- Diluted earnings per share of $1.37 per share, a 35% decrease on 2022 ($2.12 per share)

- Net cash of $20.7 million at year-end 2023 (2022: $25.7 million), with cash and cash equivalents of $71.0 million (2022: $108.3 million)
- Share buy-back of 5.9% of Kenmare's issued share capital for £23.6 million ($30.0 million) completed in September 2023
- Post-period end, new debt facilities agreed for a $200 million Revolving Credit Facility to enhance financial flexibility and support Kenmare's planned capital programmes

*Operational and corporate*

- As announced on 15 March 2024, Managing Director Michael Carvill will step down from his executive role and Board position later this year – the Nomination Committee has commenced a process to find his successor
- Strong safety performance achieved in Q4 2023 has continued in Q1 2024, with the milestone of three million hours without a Lost Time Injury ("LTI") passed in late February
- Heavy Mineral Concentrate ("HMC") production of 1,448,300 tonnes in 2023, a 9% decrease compared to 2022 (1,586,200 tonnes), due to lower ore grades and mining rates impacted by power interruptions and a severe lightning strike in Q1 2023
- Ilmenite production of 986,300 tonnes in 2023, a 9% decrease on 2022 (1,088,300 tonnes), broadly in line with a 9% reduction in HMC processed
- Shipments of finished products of 1,045,200 tonnes in 2023, a 3% decrease on 2022 (1,075,600 tonnes), due to weaker product markets and poor weather conditions in Q4 2023
- Ilmenite production guidance for 2024 is 950,000 to 1,050,000 tonnes
- Production in 2024 will be second half weighted, with Q1 2024 production expected to be in line with Q1 2023 – material uplift in production expected in Q2 2024

**Dividend timetable**

Kenmare confirms the dates for the proposed 2023 final dividend are as follows:

| | |
|---|---|
| Ex-dividend date | 11 April 2024 |
| Record date | 12 April 2024 |
| Currency election date | 16 April 2024 at 12:00 noon (IST) |
| AGM date for shareholder approval | 10 May 2024 |
| Payment date | 17 May 2024 |

Irish Dividend Withholding Tax (25%) must be deducted from dividends paid by the Company, unless a shareholder is entitled to an exemption and has submitted a properly completed exemption form to Kenmare's Registrar.

**Analyst and investor conference call and webcast**

Kenmare will host a conference call and webcast for analysts, institutional investors, lenders and media today at 09:00 UK time. Participant dial-in numbers for the conference call are as follows (a pin code is not required to access the call):

| | |
|---|---|
| UK: | +44 20 3481 4247 |
| Ireland: | +353 1 582 2023 |
| US: | +1 (646) 307 1963 |
| Conference ID: | 9962365 |

To register for the webcast click here. A playback of the webcast will be available at www.kenmareresources.com.

**Private investor webinar**

There will also be a separate webinar for private investors on 26 March 2024 at 12:30pm UK time. To access the webinar, please register in advance by clicking here.

For further information, please contact:

**Kenmare Resources plc**
Jeremy Dibb / Katharine Sutton / Michael Starke
Investor Relations
ir@kenmareresources.com
Tel: + 353 1 671 0411
Mob: + 353 87 943 0367 / + 353 87 663 0875

**Murray Group (PR advisor)**
Paul O'Kane
pokane@murraygroup.ie
Tel: + 353 1 498 0300
Mob: + 353 86 609 0221

**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.

**CHAIRMAN'S STATEMENT**

Dear shareholders,

**Introduction**

Kenmare faced a number of challenges in 2023, both internal and external. For some of these challenges, such as a weaker product market, the resilience we have built into the Company over the past few years has enabled us to continue to operate profitably. For others, such as the severe lightning strike close to the Moma Mine in February, we have since built in additional protective measures to minimise future interruptions to production. I am proud that, against this backdrop, we delivered another year of robust financial results and strong shareholder distributions.

In 2024, we are embarking on a capital programme to unlock the value from the Nataka ore zone, which represents over 70% of Moma's Mineral Resources. I am confident that we have the skills and experience to navigate the challenges that come with large projects: we have strong relationships with our partners in Mozambique, our customers, and other stakeholders, supported by a team with 17 years of operational experience and more than 30 years in country.

I would like to recognise Michael Carvill's role in developing the Company to this point and in preparing the way for the Nataka development. The Moma deposit was developed and Kenmare exists only because of Michael's focus, determination, and ability to build enduring relationships. I am very grateful to him for agreeing to continue to provide the Company with his insights as a senior advisor on the Nataka transition and our relationship with the Government of Mozambique.

**Transition to Nataka**

In 2023, we completed a Definitive Feasibility Study ("DFS") for the main elements of the upgrade of Wet Concentrator Plant ("WCP") A and its transition to Nataka. Nataka is the largest ore zone within Moma's portfolio and WCP A is expected to mine there for the remainder of its economic life. Our detailed studies have confirmed the optimal method to mine Nataka and upgrade the mining plant, with the objective of retaining our first quartile position on the industry revenue to cost curve.

The capital cost for the Nataka transition to the end of 2027 is estimated to be up to $341 million. This includes costs for additional WCP A infrastructure, with the DFS for this work due to be completed in Q2 2024. Your Directors are very conscious that this represents a significant increase to the cost estimates announced following the Pre-Feasibility Study ("PFS") and the Board and executive team are focused on detailed oversight and effective delivery of the project, supporting successful mining in the new orebody for many years to come.

In order to maintain maximum financial flexibility during this short period of increased capital spend, the Board took the decision in late 2023 to defer the upgrade of WCP B. While we continue to study ways of enhancing production at WCP B, which is likely to represent an attractive investment, in the short-term we are prioritising the WCP A investment.

**Delivering value for our shareholders**

During the year, I was pleased to get the opportunity to meet with a number of Kenmare's shareholders as it is vital for the Board and management to understand their perspectives, priorities and concerns. In early 2024, we undertook an investor perception study to allow a wider group of existing shareholders, potential investors and sell-side analysts to share their views on all aspects of the Company. One of the key pieces of feedback was the importance of maintaining a sound balance sheet, particularly while undertaking the Nataka transition. My fellow Directors and I will continue to foster open dialogue with our shareholders and we remain focused on maximising shareholder value.

The Board is recommending a final dividend of USc38.54 per share (2022: USc43.33). This amounts to a total dividend in respect of 2023 of USc56.04 per share, up 3% (2022: USc54.31). We also completed a second share buy-back in September 2023, when Kenmare repurchased 5.9% of its issued share capital for a total consideration of $30.0 million. Including the 2023 dividend, over $250 million will have been returned to shareholders through a combination of dividends and share buy-backs since 2019.

The majority of the capital investment to support the Nataka transition will be incurred in 2024 and 2025. We recently announced a new $200 million debt facility with our lenders, which is an important element of our capital structure and financial planning. To the extent possible during this period, we will aim to pay dividends towards the top of our stated payout range of 20-40% of underlying Profit After Tax. However, additional shareholder returns will need to be balanced with a requirement to maintain a strong balance sheet to fund the programme.

**Sustainability**

Sustainability has always been central to Kenmare and from speaking to employees at Moma, I know it is one of the areas of our business that inspires the most passion and pride in our workforce. I am encouraged to see a return to strong safety performance, with no Lost Time Injuries in Q4 and three million hours worked without a Lost Time Injury achieved by late February 2024. The health, safety and wellbeing of our team at the Moma Mine remain our top priorities.

Female representation in Kenmare’s workforce increased again in 2023 – by the end of the year, 16% of Mine employees were women, up from 14.5% in 2022. This represents a fourfold increase over the last eight years, and we are making good progress towards our target of 20% by the end of 2025. Importantly, an even higher proportion of the senior management at the Mine is female (40% compared to 25% in 2022) and we are pleased to see their positive impact being delivered through improved leadership and collaboration.

Turning to the environment, we take seriously our responsibility to maintain biodiversity at the Moma Mine. In June 2023, our Sustainability Committee participated in a strategic discussion centred on the conservation goals of both the Global Biodiversity Framework and the Mozambican Government. Work is underway on our strategies for “No Net Loss” and “15% Net Gain”, which will be delivered through Moma’s Biodiversity Offset Management Plan.

**Executive and Board development**

As Michael Carvill is stepping down later this year, Kenmare’s Nomination Committee has initiated a process to find Michael’s successor and will consider both internal and external candidates. Michael will step down ahead of the Company’s 2024 Interim Results.

As I mentioned in my last statement, we were delighted to welcome Issa Al Balushi to the Board in early 2023. He became a Director in January as the Board nominee of our largest investor, the Oman Investment Authority.

We are committed to increasing female representation on Kenmare’s Board and, following a review by the Nomination Committee, we have initiated a search for an additional female Non-Executive Director. This will be co-ordinated with the search for a new Managing Director in order to ensure that the Board has the appropriate mix of skills. It is also our intention to appoint one of our female Directors as Senior Independent Director when Graham Martin retires next year. This will allow us to benefit from increased diversity, whilst also meeting Listing Rules for female Directors and their roles in senior Board positions. Following this, women will represent at least 40% of Kenmare's Board.

During the year, I conducted an internal Board performance review. Similarly to 2022, the review indicated a high level of satisfaction and found that there is good communication both within the Board and its Committees, and with management. However, there is always room for improvement, and we have identified a number of focus areas to improve Board effectiveness in 2024. These include strengthening the processes by which the Board oversees budgeting and capital allocation planning, and how we evaluate internal and external investment opportunities.

**Outlook**

2023 was a year of on-going global volatility: the Chinese economy slowed, and major conflicts erupted or continued in several parts of the world. The potential for instability is likely to extend into 2024, with both the USA and Russia holding elections during the year, in addition to approximately 70 other countries, including Mozambique.

However, despite the prospect of on-going macroeconomic uncertainty, Kenmare continues to occupy a market-leading position: we produce products that the world needs, we can operate profitably throughout the commodity price cycle, and the Nataka transition will ensure this continues for future generations.

Nevertheless, we recognise there is a lot of work to be done, including continuing to strengthen our safety culture, improving the consistency of our operational performance, and ensuring we capture strategic opportunities whenever value can be created for all of our stakeholders. We recognise that Kenmare's share price has experienced significant weakness during the past year, and we are focused on delivery in order to improve our valuation in 2024 and beyond.

**Acknowledgements**

On behalf of the Board, I would like to thank Michael Carvill for his outstanding commitment and service to Kenmare over almost forty years. Having worked with him personally for 25 years, I have seen first-hand his dedication to the highest personal and corporate values in every facet of our operations, the inspirational quality of his leadership, and the beneficial impact of his commitment to the communities in which we work. We are very grateful for Michael's tremendous contribution to Kenmare and he has our very best wishes for the future.

We appreciate the support of everyone who has contributed to the Company over the past year, and I'd like to finish by thanking my colleagues on the Board, Kenmare's employees, our host communities, shareholders, and other valued stakeholders.

Andrew Webb
CHAIRMAN

## MANAGING DIRECTOR'S STATEMENT

Dear shareholders,

### Introduction

In March 2024, I announced that I will be stepping down as Managing Director later this year. Subject to my re-election at our Annual General Meeting in May, I will continue in my executive role and on Kenmare's Board until the Interim Results in mid-August, and in a consultancy capacity until at least the end of 2024. The 38 years I will have served as Managing Director have been both fascinating and rewarding, and each year has brought its own challenges and achievements.

Looking back on 2023 in particular, we advanced a number of major projects, critical for the long-term success of the business. Preparations began for the transition of WCP A to Nataka, which will secure production for decades to come. The refinancing of our debt facilities, which we announced in early 2024, enhanced our financial flexibility and will allow us to maintain shareholder distributions, while funding our capital requirements. The contract was also signed for the construction of a new district hospital by the Kenmare Moma Development Association ("KMAD"), which will substantially improve the healthcare provision for communities living close to the Moma Mine.

However, 2023 also presented a number of operational challenges, principally an unusually severe lightning strike, that led to a downward revision of our ilmenite production guidance for the year. I am proud that, despite these issues and weaker product markets, we delivered a robust financial performance, with the second strongest EBITDA in Kenmare's history and representing a 50% EBITDA margin. We also maintained a net cash position at year-end. The Board is recommending a dividend per share of USc56.04 in respect of 2023, up 3% on 2022, and benefitting from Kenmare's reduced issued share capital following our second share buy-back in 2023.

### Safety

In late February 2024, we passed the milestone of three million hours worked without a LTI, which is a credit to our team at Moma. This built on our strong safety performance in Q4 2023, when we achieved zero LTIs.

While this was encouraging, our Lost Time Injury Frequency Rate for the 12 months to 31 December 2023 increased to 0.15 incidents per 200,000 hours worked, due to the five LTIs earlier in the year, compared to 0.09 in 2022. As part of our focus on reversing this negative trend, we strengthened our safety leadership with the appointment of a new Health & Safety Manager, Babra Mudzanapabwe. She is managing the implementation of additional training and new safety protocols, including "safety-led down times", to reinforce that safety must always be prioritised above production.

For an eighth consecutive year, Moma retained its maximum five-star rating by the National Occupational Safety Association (NOSA).

### Operational performance

Operations at the Moma Mine had a difficult start to 2023, due to an unusually severe lightning strike hitting power lines close to the Mine in February. Power infrastructure and electronic devices within our three WCPs were damaged by the strike, impacting HMC production. We continued to experience power reliability issues throughout H1, leading us to revise down our ilmenite production guidance in July. In the months following the lightning strike, our technical team conducted a thorough investigation and additional protective measures have since been put in place, providing an additional line of defence to the grid's own safeguards.

To improve future regional power reliability, Kenmare part-funded the refurbishment of the Nampula STATCOM on the Electricidade de Moçambique ("EdM") grid and this was commissioned in Q4 2023. In addition, a new regional 400kV power line is due to be commissioned by EdM in the coming months. Both of these projects are expected to enhance power stability at the Mine.

HMC production was also impacted by lower grades in 2023 than expected. Against this backdrop, we were pleased to achieve revised ilmenite production guidance for the year, while meeting or exceeding original production guidance for our other products, and we are focused on improving operational performance in 2024.

Shipments in 2023 were down 3% compared to 2022, due to slightly weaker demand and more cautious buying from our customers. However, we saw our strongest shipments in Q4 and volumes would have been higher still had poor weather not impacted loading time.

In an independent report, TZMI, a mineral sands industry analyst, declared that Kenmare is in the first quartile on the industry revenue to cost curve in respect of 2021. It was pleasing to receive this independent verification of our own analysis and we are focused on maintaining this leading position, which will be facilitated through our programme of capital investment.

In late 2022, Kenmare initiated the renewal process for the Implementation Agreement, which covers elements of the fiscal regime governing Moma's operation. The original agreement was signed in 2004 with a 20-year term and the Company has materially exceeded all the undertakings agreed at that time. This process is continuing and Kenmare is confident the renewal will be concluded in an orderly manner.

**Sustainability**

Since the Company's formation, we have had a commitment to being a trusted corporate citizen, particularly with respect to our stakeholders in Mozambique.

In 2004, we established KMAD and I am very proud of the transformational change it has delivered for people living close to the Mine. During the past 20 years, over $20 million has been invested into community development initiatives, including $4.7 million in 2023. In addition to the agreement to construct a new district hospital, some of KMAD's highlights for the year included the construction of a third community health centre and the first students graduating from the KMAD-constructed Topuito Technical College, including 23 female students sponsored by KMAD.

2023 has been confirmed as the hottest year on record and climate change is no longer a future threat but a current reality for our business. With this in mind, we are working to set 2030 interim targets for operational emissions to demonstrate a clear route to decarbonisation and our 2040 Net Zero target. In 2023, we reduced our Scope 1 emissions by 14%, due primarily to investments in the Rotary Uninterruptible Power Supply and operational efficiencies at the Mineral Separation Plant.

**Product markets**

The Moma Mine is a globally significant titanium minerals deposit, with over 100 years of Mineral Resources at the current production rate. Titanium minerals are listed as critical minerals for a number of regions, including the US and in Europe. They are essential in the production of titanium pigment, which is used in everyday items such as paint, plastic and paper, as well as in the fast-growing titanium metal market, which is primarily consumed by the aerospace industry.

Following a year of record pricing in 2022, markets softened in 2023 due to increasing global economic uncertainty. It was nonetheless pleasing to see that demand from our customers remained relatively robust despite these macroeconomic pressures and demand for ilmenite has been stronger in early 2024 than we expected.

Downstream demand for titanium pigment was subdued in 2023, although it improved through the second half of the year. The challenges faced by the pigment market prompted producers to sustain lower-than-normal inventories throughout 2023. We believe the rebuilding of these inventories through increased utilisation rates in 2024 will support demand for ilmenite. Market dynamics continue to favour Kenmare's ilmenite and we also benefit from our first quartile margin position, allowing us to generate positive cash flow throughout the commodity price cycle.

The zircon market was also softer in 2023 as reduced global economic activity decreased demand for products like ceramics. Prices for zircon in Europe remained weaker in early 2024 but Kenmare has seen a stabilisation in the Chinese spot market in recent months, which we expect will provide some support to the global market.

Despite these short-term pressures, Kenmare believes that the market fundamentals for our products are strong, due primarily to medium- and long-term supply constraints within the titanium feedstocks and zircon industries.

**Capital projects**

During 2023, we completed the DFS for the core elements of WCP A's upgrade and transition to Nataka in late 2025. Nataka is the largest of Moma's ore zones and WCP A will mine there for the rest of its economic life.

The upgrade of WCP A will significantly increase the plant's capacity and allow it to more effectively manage slimes, which are ultra fine particles that negatively impact production. This will ensure consistent future production, while maintaining low operating costs. The DFS for additional infrastructure is continuing and scheduled to be completed in Q2 2024.

Total capital expenditure for the project is estimated to be up to $341 million to the end of 2027, including the costs for additional infrastructure. Most of this capital expenditure is expected to be incurred in 2024 and 2025, with $179 million budgeted for 2024.

The DFS capital cost estimate is higher than the PFS estimate, which was released in April. This was due to changes in scope and design, reflecting opportunities to safeguard Kenmare's first quartile position on the revenue to cost curve; additional indirect costs to deliver effective schedule risk minimisation; increased contingency costs; and capital cost inflation during the period.

We will be funding this capital investment through operational cash flows and debt facilities, while continuing to make shareholder returns. We announced a new $200 million Revolving Credit Facility with our existing lender group in February 2024, with improved terms that reflect our position as an established mineral sands producer.

**Outlook**

With 2024 well underway, our focus is firmly on delivery. Our team at the Moma Mine are working hard to achieve our guidance for the year, while maintaining the strong safety performance we returned to in Q4 2023. Our projects team is advancing the preparations for the transition to Nataka, while actively looking for ways to optimise the scope, design, and execution of the project.

While product markets were impacted in 2023 by the weaker global economy, ilmenite prices are holding up well in early 2024. Our first quartile position on the industry revenue to cost curve supports our ability to generate strong cash flow, even during periods of weaker pricing, and we are focused on optimising mining at Nataka to ensure we retain this position.

Finally, I would like to thank all my friends and colleagues within the Company, as well as our customers, shareholders, and other partners in Mozambique for their continued support. It has been a privilege to lead Kenmare for almost four decades and I am pleased to leave the Company in a position of strength, with a tier one asset, and as the largest supplier of ilmenite in the world. I am very proud of all that Kenmare has achieved to date and confident in our team's ability to continue to execute on the Company’s strategy to create value for all stakeholders.

Michael Carvill
MANAGING DIRECTOR

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

| | Notes | **Unaudited 2023 $'000** | 2022 $'000 |
|---|---|---|---|
| Revenue | 2 | **458,477** | 525,988 |
| Cost of sales | 4 | **(294,927)** | (282,694) |
| Gross profit | | **163,550** | 243,294 |
| Administration expenses | 4 | **(8,426)** | (9,862) |
| Operating profit | | **155,124** | 233,432 |
| Finance income | 5 | **5,904** | 1,147 |
| Finance costs | 5 | **(11,118)** | (12,472) |
| Profit before tax | | **149,910** | 222,107 |
| Income tax expense | 6 | **(18,928)** | (16,073) |
| Profit for the financial year and total comprehensive income for the financial year | | **130,982** | 206,034 |
| Attributable to equity holders | | **130,982** | 206,034 |

| | | **$ per share** | $ per share |
|---|---|---|---|
| Basic earnings per share | 7 | **1.41** | 2.17 |
| Diluted earnings per share | 7 | **1.37** | 2.12 |

The accompanying notes form part of these financial statements.

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
**AS AT 31 DECEMBER 2023**

| | Notes | Unaudited 2023 $'000 | 2022 $'000 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 8 | **935,848** | 930,759 |
| Right-of-use assets | 9 | **1,368** | 1,608 |
| | | **937,216** | 932,367 |
| **Current assets** | | | |
| Inventories | 10 | **99,257** | 84,171 |
| Trade and other receivables | 11 | **153,650** | 124,018 |
| Cash and cash equivalents | 12 | **71,048** | 108,271 |
| | | **323,955** | 316,460 |
| **Total assets** | | **1,261,171** | 1,248,827 |
| **Equity** | | | |
| **Capital and reserves attributable to the Company's equity holders** | | | |
| Called-up share capital | 13 | **97** | 104 |
| Share premium | | **545,950** | 545,950 |
| Other reserves | | **229,740** | 232,759 |
| Retained earnings | | **367,504** | 324,721 |
| **Total equity** | | **1,143,291** | 1,103,534 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Bank loans | 14 | **15,502** | 46,180 |
| Lease liabilities | 9 | **1,256** | 1,540 |
| Provisions | 15 | **20,877** | 19,746 |
| | | **37,635** | 67,466 |
| **Current liabilities** | | | |
| Bank loans | 14 | **32,371** | 32,398 |
| Lease liabilities | 9 | **264** | 245 |
| Trade and other payables | 16 | **38,564** | 35,293 |
| Current tax liabilities | 17 | **6,921** | 8,893 |
| Provisions | 15 | **2,125** | 998 |
| | | **80,245** | 77,827 |
| **Total liabilities** | | **117,880** | 145,293 |
| **Total equity and liabilities** | | **1,261,171** | 1,248,827 |

The accompanying notes form part of these financial statements.

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

| | Unaudited Called-Up Share Capital $'000 | Unaudited Share Premium $'000 | Unaudited Other Reserves $'000 | Unaudited Retained Earnings $'000 | Unaudited Total $'000 |
|---|---|---|---|---|---|
| Balance at 1 January 2022 | 104 | 545,950 | 230,539 | 154,050 | 930,643 |
| **Total comprehensive income for the year** | | | | | |
| Profit for the financial year | - | - | - | 206,034 | 206,034 |
| Total comprehensive income for the year | - | - | - | 206,034 | 206,034 |
| **Transactions with owners of the Company – contributions and distributions** | | | | | |
| Recognition of share-based payment expense | - | - | 5,601 | - | 5,601 |
| Exercise of share-based payment awards | - | - | (3,363) | - | (3,363) |
| Shares acquired by the Kenmare Employee Benefit Trust | - | - | (1,797) | - | (1,797) |
| Shares distributed by the Kenmare Employee Benefit Trust | - | - | 1,779 | - | 1,779 |
| Odd lot offer share buy back | - | - | 515 | (515) | - |
| Odd lot offer share buy back transaction costs | - | - | - | (122) | (122) |
| Cancellation of treasury shares | - | - | (515) | - | (515) |
| Dividends paid | - | - | - | (34,726) | (34,726) |
| Total contributions and distributions | - | - | 2,220 | (35,363) | (33,143) |
| Balance at 1 January 2023 | **104** | **545,950** | **232,759** | **324,721** | **1,103,534** |
| **Total comprehensive income for the year** | | | | | |
| Profit for the financial year | **-** | **-** | **-** | **130,982** | **130,982** |
| Total comprehensive income for the year | **-** | **-** | **-** | **130,982** | **130,982** |
| **Transactions with owners of the Company – contributions and distributions** | | | | | |
| Recognition of share-based payment expense | **-** | **-** | **3,278** | **-** | **3,278** |
| Exercise of share-based payment awards | **-** | **-** | **(3,512)** | **(2,197)** | **(5,709)** |
| Shares acquired by the Kenmare Employee Benefit Trust | **-** | **-** | **(6,182)** | **-** | **(6,182)** |
| Shares distributed by the Kenmare Employee Benefit Trust | **-** | **-** | **3,390** | **-** | **3,390** |
| Tender offer share buy back | **(7)** | **-** | **7** | **(29,963)** | **(29,963)** |
| Share buy back transaction costs | **-** | **-** | **-** | **572** | **572** |
| Dividends paid | **-** | **-** | **-** | **(56,611)** | **(56,611)** |
| Total contributions and distributions | **(7)** | **-** | **(3,019)** | **(88,199)** | **(91,225)** |
| **Balance at 31 December 2023** | **97** | **545,950** | **229,740** | **367,504** | **1,143,291** |

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

| | Notes | **Unaudited 2023 $'000** | 2022 $'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit for the financial year after tax | | **130,982** | 206,034 |
| Adjustment for: | | | |
| Foreign exchange movement included in operating costs | | **-** | 1,123 |
| Expected credit losses | 18 | **46** | 1,110 |
| Share-based payments | | **3,278** | 5,601 |
| Finance income | 5 | **(5,904)** | (1,147) |
| Finance costs | 5 | **11,118** | 12,472 |
| Income tax expense | 6 | **18,928** | 16,073 |
| Depreciation | 8, 9 | **65,122** | 64,596 |
| | | **223,570** | 305,862 |
| Change in: | | | |
| Provisions | | **1,341** | (2,141) |
| Inventories | | **(15,086)** | (23,952) |
| Trade and other receivables | | **(29,529)** | (47,627) |
| Trade and other payables | | **299** | (1,680) |
| Exercise of share-based payment awards | | **(2,319)** | (1,566) |
| **Cash generated from operating activities** | | **178,276** | 228,896 |
| Income tax paid | | **(21,119)** | (10,461) |
| Interest received | | **5,756** | 657 |
| Interest paid | 9 | **(7,323)** | (7,068) |
| Factoring and other trade facility fees | 5 | **(1,467)** | (2,218) |
| Debt commitment fees paid and other fees | 5 | **(928)** | (534) |
| **Net cash from operating activities** | | **153,195** | 209,272 |
| **Investing activities** | | | |
| Additions to property, plant and equipment | 8 | **(66,540)** | (59,867) |
| **Net cash used in investing activities** | | **(66,540)** | (59,867) |
| **Financing activities** | | | |
| Dividends paid | | **(56,611)** | (34,726) |
| Odd lot offer share buy back | | **-** | (515) |
| Odd lot offer share buy back transaction costs | | **-** | (122) |
| Tender offer share buy back | | **(29,963)** | - |
| Tender offer share buy back transaction costs | | **572** | - |
| Market purchase of equity under Kenmare Restricted Share Plan | | **(6,182)** | (1,797) |
| Drawdown of debt | 14 | **-** | 20,000 |
| Repayment of debt | 14 | **(31,429)** | (91,429) |
| Payment of lease liabilities | | **(265)** | (995) |
| **Net cash used in financing activities** | | **(123,878)** | (109,584) |
| **Net (decrease) / increase in cash and cash equivalents** | | **(37,223)** | 39,821 |
| Cash and cash equivalents at the beginning of the financial year | | **108,271** | 69,057 |
| Effect of exchange rate changes on cash and cash equivalents | | **-** | (607) |
| **Cash and cash equivalents at the end of the financial year** | 12 | **71,048** | 108,271 |

**UNAUDITED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

**1. Statement of accounting policies**

Kenmare Resources plc (the “Company”) is domiciled in the Republic of Ireland. The Company’s registered address is Styne House, Hatch Street Upper, Dublin 2. The Company has a premium listing on the Main Market of the London Stock Exchange and a secondary listing on Euronext Dublin. These consolidated financial statements comprise the Company and its subsidiaries (the “Group”). The principal activity of the Group is the operation and further development of the Moma Titanium Minerals Mine in Mozambique.

On 19 March 2024, the Directors approved the preliminary results for publication. While the consolidated financial statements for the year ended 31 December 2023, from which the preliminary results have been extracted, are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, these preliminary results do not contain sufficient information to comply with IFRS. The Directors expect to publish on 4 April 2024 the full financial statements that comply with IFRS as adopted by the European Union.

The auditor, KPMG, has not yet issued their audit opinion on the financial statements in respect of the year ended 31 December 2023. The financial information included within this unaudited preliminary results statement for the year ended 31 December 2023 does not constitute the statutory financial statements of the Group within the meaning of section 293 of the Companies Act 2014. The Group financial information in this preliminary statement for the year ended 31 December 2023 is unaudited. A copy of the statutory financial statements in respect of the year ended 31 December 2023 will be annexed to the next annual return and filed with the Registrar of Companies.

The Group financial information for the year ended 31 December 2022 included in this preliminary statement represents an abbreviated version of the Group’s financial statements for that year. The statutory financial statements for the Group for the year ended 31 December 2022, upon which the auditor, KPMG, has issued an unqualified opinion, were annexed to the annual return of the Company and filed with the Registrar of Companies.

None of the new and revised standards and interpretations which are effective for accounting periods beginning on or after 1 January 2023, have a material effect on the Group’s financial statements.

**Basis of preparation**
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFR Interpretations Committee (IFRIC) as adopted by the EU and those parts of the Companies Act 2014 applicable to companies reporting under IFRS and Article 4 of the IAS Regulation.

**Going concern**
The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have or will have adequate resources to continue in operational existence for the foreseeable future. Based on the Group’s cash flow forecast, liquidity, solvency position and available finance facilities, the Directors have a reasonable expectation that the Group has adequate resources for the foreseeable future and, therefore, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Management plans assume that all agreements, licences, concessions and approvals relating to the Group’s mining and processing activities are in place or will be renewed over the 12 month period, including the Implementation Agreement, from the date of authorisation of these financial statements. The Group forecast has been prepared by management with best estimates of production, pricing and cost assumptions over the period. Key assumptions upon which the Group forecast is based include a mine plan covering production using the Namalope, Nataka, Pilivili and Mualadi reserves and resources as will be set out in the Annual Report’s unaudited mineral reserves and resources table. Specific resource material is included only where there is a high degree of confidence in its economic extraction. Production levels for the purpose of the forecast are approximately 1.1 million tonnes per annum of ilmenite plus co-products, zircon, concentrates and rutile, over the next twelve months. Assumptions for product sales prices are based on contract prices as stipulated in marketing agreements with customers or, where contract prices are based on market prices or production is not presently contracted, prices are forecast taking into account independent titanium mineral sands expertise and management expectations. Operating costs are based on approved budget costs for 2024, taking into account the current running costs of the Mine and escalated by 2% per annum thereafter. Capital costs are based on the capital plans and include escalation at 2% per annum. The 2024 operating costs and forecast capital costs take into account the current inflationary environment. The 2% inflation rate used from 2025 to escalate these costs over the life of mine is an estimated long-term inflation rate.

Sensitivity analysis is applied to the assumptions above to test the robustness of the cash flow forecasts for changes in market prices, shipments and operating and capital cost assumptions. Changes in these assumptions affect the level of sales and profitability of the Group and the amount of capital required to deliver the projected production levels. As a result of this assessment, the Board has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the 12 month period from the date of authorisation of these financial statements.

**2. Revenue**

| | Unaudited 2023 $'000 | 2022 $'000 |
|---|---|---|
| Revenue from contracts with customers | | |
| Revenue derived from the sale of mineral products | **437,091** | 498,339 |
| Revenue derived from freight services | **21,386** | 27,649 |
| Total Revenue | **458,477** | 525,988 |

**Revenue by mineral product**

The principal categories for disaggregating mineral products revenue are by product type and by country of the customer's location. The mineral product types are ilmenite, zircon, rutile and concentrates. Concentrates includes secondary zircon and mineral sands concentrates.

During the financial year, the Group sold 1,045,200 tonnes (2022: 1,075,600 tonnes) of finished products to customers at a sales value of $437.1 million (2022: $498.3 million). The Group earned revenue derived from freight services of $21.4 million (2022: $27.6 million).

| | Unaudited 2023 $'000 | 2022 $'000 |
|---|---|---|
| Revenue derived from sales of mineral products by primary product | | |
| Ilmenite | **315,138** | 347,446 |
| Primary zircon | **79,628** | 99,152 |
| Concentrates | **31,046** | 33,057 |
| Rutile | **11,279** | 18,684 |
| Total revenue from mineral products | **437,091** | 498,339 |
| Revenue derived from freight services | **21,386** | 27,649 |
| Total Revenue | **458,477** | 525,988 |

**Revenue by destination**

In the following table, revenue is disaggregated by primary geographical market. The Group allocates revenue from external customers to individual countries and discloses revenues in each country where revenues represent 10% or more of the Group's total revenue. Where total disclosed revenue disaggregated by country constitutes less than 75% of total Group revenue, additional disclosures are made on a regional basis until at least 75% of the Group's disaggregated revenue is disclosed. There were no individual countries within Europe, Asia (excluding China) or the Rest of the World with revenues representing 10% or more of the Group's total revenue during the year.

| | Unaudited 2023 $'000 | 2022 $'000 |
|---|---|---|
| Revenue derived from sales of mineral product by destination | | |
| China | **177,511** | 154,704 |
| Europe | **86,238** | 130,440 |
| Asia (excluding China) | **76,535** | 108,487 |
| USA | **52,826** | 51,600 |
| Rest of the World | **43,981** | 53,108 |
| Total revenue from mineral products | **437,091** | 498,339 |
| Revenue derived from freight services | **21,386** | 27,649 |
| Total Revenue | **458,477** | 525,988 |

**Revenue by major customers**

The Group evaluates the concentration of mineral product revenue by major customer. The following table disaggregates mineral product revenue from the Group's four largest customers.

**2. Revenue (continued)**

| | Unaudited 2023 $'000 | 2022 $'000 |
|---|---|---|
| **Revenue from external customers** | | |
| Largest customer | **69,023** | 74,671 |
| Second largest customer | **41,616** | 62,791 |
| Third largest customer | **32,999** | 58,413 |
| Fourth largest customer | **31,844** | 41,015 |
| Total | **175,482** | 236,890 |

All Group revenues from external customers are generated by the Moma Titanium Minerals Mine in Mozambique. Further details on this operating segment can be found in Note 3. Sales to and from Ireland were $nil (2022: $nil) in the year.

**3. Segment reporting**

Information on the operations of the Moma Titanium Minerals Mine in Mozambique is reported to the Group's Board for the purposes of resource allocation and assessment of segment performance. Information regarding the Group's operating segment is reported below:

| | | Unaudited 2023 | | | 2022 | |
|---|---|---|---|---|---|---|
| | **Corporate** | **Mozambique** | **Total** | Corporate | Mozambique | Total |
| | **$'000** | **$'000** | **$'000** | $'000 | $'000 | $'000 |
| **Revenue & Results** | | | | | | |
| Revenue* | **-** | **458,477** | **458,477** | - | 525,988 | 525,988 |
| Cost of sales | **-** | **(294,927)** | **(294,927)** | - | (282,694) | (282,694) |
| Gross profit | **-** | **163,550** | **163,550** | - | 243,294 | 243,294 |
| Administrative expenses | **(6,867)** | **(1,559)** | **(8,426)** | (7,848) | (2,014) | (9,862) |
| Segment operating profit | **(6,867)** | **161,991** | **155,124** | (7,848) | 241,280 | 233,432 |
| Finance income | **2,585** | **3,319** | **5,904** | 23 | 1,124 | 1,147 |
| Finance expenses | **(40)** | **(11,078)** | **(11,118)** | (83) | (12,389) | (12,472) |
| Profit before tax | **(4,322)** | **154,232** | **149,910** | (7,908) | 230,015 | 222,107 |
| Income tax expense | **(7,156)** | **(11,772)** | **(18,928)** | (1,601) | (14,472) | (16,073) |
| Profit for the financial year | **(11,478)** | **142,460** | **130,982** | (9,509) | 215,543 | 206,034 |
| **Segment assets & Liabilities** | | | | | | |
| Segment Assets | **40,918** | **1,220,253** | **1,261,171** | 12,583 | 1,236,244 | 1,248,827 |
| Segment Liabilities | **10,392** | **107,488** | **117,880** | 4,722 | 140,571 | 145,293 |
| **Additions to non-current assets** | | | | | | |
| Segment Additions to non-current assets | **-** | **69,730** | **69,730** | - | 59,867 | 59,867 |

*Revenue excludes inter-segment revenue of $22.7 million (2022: $24.2 million) earned by the corporate segment relating to marketing and management services fee income. Inter-segment revenue is not regularly reviewed by the Chief Operating Decision Maker.

Corporate assets consist of the Company's property, plant and equipment including right-of-use assets, cash and cash equivalents and prepayments at the reporting date. Corporate liabilities consist of trade and other payables at the reporting date.

**4. Cost and income analysis**

| | Unaudited 2023 $'000 | 2022 $'000 |
|---|---|---|
| **Expenses by function** | | |
| Cost of sales | **294,927** | 282,694 |
| Administrative expenses | **8,426** | 9,862 |
| Total | **303,353** | 292,556 |

**4. Cost and income analysis (continued)**

Expenses by nature can be analysed as follows:

| | Unaudited 2023 $'000 | 2022 $'000 |
|---|---|---|
| **Expenses by nature** | | |
| Staff costs | **58,252** | 55,907 |
| Repairs and maintenance | **42,278** | 43,151 |
| Power and fuel | **47,791** | 43,960 |
| Freight | **21,386** | 27,649 |
| Other production and operating costs | **83,274** | 78,921 |
| Movement of mineral products inventory | **(14,750)** | (21,628) |
| Depreciation of property, plant and equipment and right-of-use assets | **65,122** | 64,596 |
| Total | **303,353** | 292,556 |

Mineral products consist of finished products and heavy mineral concentrate as detailed in Note 10. Mineral stock movement in the year was an increase of $14.7 million (2022: $21.6 million increase). Freight costs of $21.4 million (2022: $27.7 million) arise from sales to customers on a CIF or CFR basis. There were no exceptional items within operating profit in 2023 (2022: $nil).

**5. Net finance costs**

| | Unaudited 2023 $'000 | 2022 $'000 |
|---|---|---|
| Finance costs | | |
| Interest on bank borrowings | **(7,935)** | (8,829) |
| Interest on lease liabilities | **(112)** | (147) |
| Factoring and other trade facility fees | **(1,467)** | (2,218) |
| Commitment and other fees | **(928)** | (534) |
| Unwinding of discount on mine closure provision | **(676)** | (744) |
| Total finance costs | **(11,118)** | (12,472) |
| Interest earned on bank deposits | **5,904** | 657 |
| Foreign exchange gain | **-** | 490 |
| Total finance income | **5,904** | 1,147 |
| Net finance costs recognised in profit or loss | **(5,214)** | (11,325) |

All interest has been expensed in the financial year. The Group has classified factoring and other trade facility fees in net cash from operating activities in the Consolidated Statement of Cashflows.

**6. Income tax expense**

| | Unaudited 2023 $'000 | 2022 $'000 |
|---|---|---|
| Corporation tax | **18,928** | 16,073 |
| Deferred tax | **-** | - |
| Total | **18,928** | 16,073 |
| Reconciliation of effective tax rate | | |
| Profit before tax | **149,910** | 222,107 |
| Profit before tax multiplied by the applicable tax rate (12.5%) | **18,739** | 27,763 |
| (Over)/under provision in respect of prior years | **(219)** | 546 |
| Non-taxable income | **(9,434)** | (18,120) |
| Non-deductible expenses | **1,204** | 483 |
| Differences in effective tax rates on overseas earnings | **8,638** | 5,401 |
| Total | **18,928** | 16,073 |

During the year, Kenmare Moma Mining Limited Mozambique Branch had taxable profits of $34.1 million (2022: $39.9 million), resulting in an income tax expense of $11.7 million (2022: $14.5 million) being recognised. The income tax rate applicable to taxable profits of KMML Mozambique Branch is 35% (2022: 35%).

**6. Income tax expense (continued)**

Kenmare Moma Mining Limited Mozambique Branch has elected, and the fiscal regime applicable to mining allows for, the option to deduct, as an allowable deduction, depreciation of exploration and development expense and capital expenditure over the life of mine. Tax losses may be carried forward for three years. There are no tax losses carried forward at 31 December 2023.

Kenmare Moma Processing (Mauritius) Limited Mozambique Branch has Industrial Free Zone (IFZ) status. As an IFZ Branch, it is exempted from corporation taxes and hence its income is non-taxable.

During the year, Kenmare Resources plc had taxable profits of $89.2 million (2022: $13.3 million) as a result of management and marketing service fee income earned on services provided to subsidiary undertakings and dividend income earned from subsidiary undertakings, resulting in a corporate tax expense of $7.2 million (2022: $1.6 million).

**7. Earnings per share**

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

| | **Unaudited 2023 $’000** | 2022 $’000 |
|---|---|---|
| Profit for the financial year attributable to equity holders of the Company | **130,982** | 206,034 |

| | **Unaudited 2023 Number of shares** | 2022 Number of shares |
|---|---|---|
| Weighted average number of issued ordinary shares for the purpose of basic earnings per share | **93,126,115** | 94,919,944 |
| Effect of dilutive potential ordinary shares: | | |
| Share awards | **2,437,495** | 2,361,819 |
| Weighted average number of ordinary shares for the purposes of diluted earnings per share | **95,563,610** | 97,281,763 |

| | **$ per share** | $ per share |
|---|---|---|
| Basic earnings per share | **1.41** | 2.17 |
| Diluted earnings per share | **1.37** | 2.12 |

The denominator for the purposes of calculating both basic and diluted earnings per share has been adjusted to reflect shares acquired during the year.

**8. Property, plant and equipment**

| | Plant and Equipment $'000 | Development Expenditure $'000 | Construction In Progress $'000 | Other Assets $'000 | Total $'000 |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| At 1 January 2022 | 1,017,429 | 258,172 | 61,430 | 64,431 | 1,401,462 |
| Additions during the financial year | 252 | 112 | 59,261 | 242 | 59,867 |
| Transfer from construction in progress | 48,233 | 1,767 | (69,918) | 19,918 | - |
| Disposals | (10,230) | - | - | (7,201) | (17,431) |
| Adjustment to mine closure cost | (20,080) | - | - | - | (20,080) |
| At 31 December 2022 | 1,035,604 | 260,051 | 50,773 | 77,390 | 1,423,818 |
| Additions during the financial year | **-** | **-** | **69,703** | **27** | **69,730** |
| Transfer from construction in progress | **20,144** | **13,095** | **(40,391)** | **7,152** | **-** |
| Disposals | **(415)** | **-** | **-** | **(9,429)** | **(9,844)** |
| Adjustment to mine closure cost | **241** | **-** | **-** | **-** | **241** |
| At 31 December 2023 | **1,055,574** | **273,146** | **80,085** | **75,140** | **1,483,945** |
| **Accumulated depreciation** | | | | | |
| At 1 January 2022 | 270,113 | 141,489 | - | 35,302 | 446,904 |
| Charge for the financial year | 44,435 | 6,379 | - | 12,772 | 63,586 |
| Disposals | (10,230) | - | - | (7,201) | (17,431) |
| At 31 December 2022 | 304,318 | 147,868 | - | 40,873 | 493,059 |
| **Charge for the financial year** | **44,928** | **8,952** | **-** | **11,002** | **64,882** |
| **Disposals** | **(415)** | **-** | **-** | **(9,429)** | **(9,844)** |
| **At 31 December 2023** | **348,831** | **156,820** | **-** | **42,446** | **548,097** |
| **Carrying amount** | | | | | |
| **At 31 December 2023** | **706,743** | **116,326** | **80,085** | **32,694** | **935,848** |
| At 31 December 2022 | 731,286 | 112,183 | 50,773 | 36,517 | 930,759 |

An adjustment to the mine closure cost of $0.2 million (2022: $20.1 million) was made during the year as a result of an update in the mine closure cost estimate as detailed in Note 15.

At each reporting date, the Group assesses whether there is any indication that property, plant and equipment may be impaired. The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators for impairment. As at 31 December 2023, the market capitalisation of the Group was below the book value of net assets, which is considered an indicator of impairment. The Group carried out an impairment review of property, plant and equipment as at 31 December 2023. As a result of the review, and given the performance and outlook of the Group, no impairment provision was recognised in the current financial year. No impairment was recognised in the prior financial year. Given the historic volatility in mineral product pricing and sensitivity of the forecast to mineral product pricing, the discount rate and to a lesser extent operating costs, the impairment loss of $64.8 million, which was recognised in the consolidated statement of comprehensive income in 2014, was not reversed.

The cash-generating unit for the purpose of impairment testing is the Moma Titanium Minerals Mine. The basis on which the Mine is assessed is its value in use. The cash flow forecast employed for the value in use computation is from a life of mine financial model. The recoverable amount obtained from the financial model represents the present value of the future discounted pre-tax, pre-finance cash flows discounted at 12% (2022: 14%).

Key assumptions include the following:

- The discount rate is based on the Group's weighted average cost of capital. This rate is a best estimate of the current market assessment of the time value of money, and the risks specific to the Mine, taking into consideration country risk, currency risk and price risk. The factors making up the cost of equity and cost of debt have changed from the prior year review, resulting in a discount rate of 12% (2022: 14%). The Group's estimation of the country risk premium included in the discount rate has remained unchanged from the prior year. The Group does not consider it appropriate to apply the full current country risk premium for Mozambique to the calculation of the Group's weighted average cost of capital as it believes the specific circumstances which have resulted in the risk premium increase over the past number of years are not relevant to the specific circumstances of the Moma Mine. Hence, country risk premium applicable to the calculation of the cost of equity has been adjusted accordingly. Forecast income tax on intercompany dividends from subsidiary undertakings is assumed to be exempt from 2025, by way of change to tax legislation or alternatively group restructuring. Using a discount rate of 12.0%, the recoverable amount is greater than the carrying

**8. Property, plant and equipment (continued)**

amount by $374.0 million (2022: $86.9 million). The discount rate is a significant factor in determining the recoverable amount. A 3.5% increase in the discount rate to 15.5% reduces the recoverable amount by $374.0 million to $nil, assuming all other inputs remain unchanged. The increase in the recoverable amount from the prior year is a result of increased cash flows over the life of mine as a result of increased forecast revenue net of increased capital costs and a decrease in the discount rate from 14% to 12%.

- The forecast assumes that all agreements, licences, concessions and approvals relating to the Group's mining and processing activities including the Implementation Agreement are in place or will be renewed. The mine plan is based on the Namalope, Nataka, Pilivili and Mualadi proved and probable reserves and resources. Specific resource material is included only where there is a high degree of confidence in its economic extraction. The Mine life assumption of 40 years has not changed from the prior year review. Average annual production is approximately 1.3 million tonnes (2022: 1.2 million tonnes) of ilmenite and co-products zircon, rutile and concentrates over the life of the Mine. Medium term production over the next three years is approximately 1.1 million tonnes. This mine plan does not include investment in additional mining capacity. Certain minimum stocks of final and intermediate products are assumed to be maintained at period ends.
- Product sales prices are based on contract prices as stipulated in marketing agreements with customers, or where contracts are based on market prices or production is not currently contracted, prices are forecast by the Group taking into account independent titanium mineral sands expertise provided by TiPMC Solutions and management expectations including general inflation of 2% per annum. Forecast prices provided by TiPMC Solutions have been reviewed and found to be consistent with other external sources of information. Average forecast product sales prices have increased over the life of mine from the prior year-end review as a result of revised forecast pricing. A 9.0% reduction in average sales prices over the life of mine reduces the recoverable amount by $374.0 million to $nil, assuming all other inputs remain unchanged.
- Operating costs are based on approved budget costs for 2024 taking into account the current running costs of the Mine and estimated forecast inflation for 2024. From 2025 onwards, operating costs are escalated by 2% per annum as management expects inflation to normalise and average 2% over the life of mine period. Average forecast operating costs has decreased from the prior year-end review as a result of a reduction in the estimated future power costs and further optimisation of unit price for mining in Nataka. A 6.5% increase in operating costs over the life of mine reduces the recoverable amount by $374.0 million to $nil, assuming all other inputs remain unchanged.

  Whilst the Group has set ambitions to be net zero by 2040, the full financial impact of the transition plan is still being assessed as the Group considers how it will work towards meeting this target. The mine financial model includes the cost of using bio-diesel in its forecast operating costs. The cost of studies on plant electrification and other sustainable methods of operating are also included in forecast operating and capital cost. No savings associated with the Company's ambition to become net zero have been factored into the forecast.
- Capital costs are based on a life of mine capital plan including inflation at 2% per annum from 2025. Average forecast capital costs have increased and their scheduling has changed from the prior year-end review based on updated sustaining and development capital plans required to maintain the existing plant over the life of mine. A 47% increase in capital costs over the life of mine reduces the recoverable amount by $374.0 million to $nil, assuming all other inputs remain unchanged.

**9. Right-of-use assets and lease liabilities**

| | Plant and Equipment $'000 | Land and Buildings $'000 | Total $'000 |
|---|---|---|---|
| **Cost** | | | |
| At 1 January 2023 | 3,319 | 2,590 | 5,909 |
| Additions | - | - | - |
| Disposals | **(3,319)** | - | (3,319) |
| **At 31 December 2023** | **-** | **2,590** | **2,590** |
| | | | |
| **Accumulated Depreciation** | | | |
| At 1 January 2023 | 3,319 | 982 | 4,301 |
| Depreciation expense | - | 240 | 240 |
| Disposals | **(3,319)** | - | (3,319) |
| **At 31 December 2023** | **-** | **1,222** | **1,222** |
| | | | |
| **Carrying amount** | | | |
| **At 31 December 2023** | **-** | **1,368** | **1,368** |
| At 31 December 2022 | - | 1,608 | 1,608 |

**9. Right-of-use assets and lease liabilities (continued)**

On 1 January 2019, the Group recognised a lease liability of $3.3 million in relation to electricity generators at the Mine. The lease for the electricity generators was renewed in November 2017 for a five-year period and rental payments were fixed for the five years. The lease agreement expired in November 2022 and following negotiations the Group completed the acquisition process of the electricity generators in February 2023.

On 1 January 2019, the Group recognised a lease liability of $1.7 million in respect of the rental of its Irish head office. The lease has a term of 10 years commencing August 2017 and rental payments are fixed to the end of the lease term. This lease obligation is denominated in Euros.

In February 2019, the Group recognised a lease liability of $0.4 million in respect of its Mozambican country office in Maputo. The lease has a seven-year term commencing February 2019 and rental payments are fixed for seven years. This lease obligation is denominated in US Dollars. The Branch has discounted lease payments using its incremental borrowing rates. The weighted average rate applied is 7%.

In December 2022, the Maputo Office lease was modified and remeasured. The lease term was extended to 10 years commencing 1 December 2022. In addition, additional floor space of 250 square meters was leased as an addendum to the existing lease. The Group has determined that the lease modification should not be accounted for as a separate lease because the lease payments for the new office space are not considered commensurate with market rentals for office space of that size and characteristic. The incremental borrowing rate applied to the remeasured lease is 10.2%.

At each reporting date, the Company assesses whether there is any indication that right-of-use assets may be impaired. No impairment indicators were identified as at 31 December 2023 or 31 December 2022.

The Group has recognised a rental expense of $12.4 million (2022: $3.9 million) in relation to short term leases of machinery and vehicles which have not been recognised as a right-of-use asset.

Set out below are the carrying amounts of lease liabilities at each reporting date:

| | **Unaudited 2023 $'000** | 2022 $'000 |
|---|---|---|
| Current | **264** | 245 |
| Non-current | **1,256** | 1,540 |
| Total | **1,520** | 1,785 |

The consolidated income statement includes the following amounts relating to leases:

| | **Unaudited 2023 $'000** | 2022 $'000 |
|---|---|---|
| Depreciation expense | **240** | 1,010 |
| Interest expense on lease liabilities | **112** | 147 |
| Total | **352** | 1,157 |

| **Reconciliation of movements of lease liabilities to cash flows arising from financing activities** | **Unaudited 2023 $'000** | 2022 $'000 |
|---|---|---|
| **Lease liabilities** | | |
| Balance at 1 January | **1,785** | 2,178 |
| **Cash movements** | | |
| Lease interest paid | **(112)** | (147) |
| Principal paid | **(265)** | (1,142) |
| **Non-cash movements** | | |
| Lease modification | **-** | 749 |
| Lease interest accrued | **112** | 147 |
| Balance at 31 December | **1,520** | 1,785 |

**10. Inventories**

| | Unaudited 2023 $'000 | 2022 $'000 |
|---|---|---|
| Mineral products | **58,405** | 43,655 |
| Consumable spares | **40,852** | 40,516 |
| | **99,257** | 84,171 |

At 31 December 2023, total final product stock was 259,100 tonnes (2022: 213,500 tonnes). Closing stock of heavy mineral concentrate was 16,700 tonnes (2022: 18,800 tonnes).

Net realisable value is determined with reference to forecast prices of finished products expected to be achieved. There is no guarantee that these prices will be achieved in the future, particularly in weak product markets. During the financial year, there was a write-down of $nil (2022: nil) to mineral products charged to cost of sales to value mineral products at net realisable value.

**11. Trade and other receivables**

| | Unaudited 2023 $'000 | 2022 $'000 |
|---|---|---|
| Trade receivables | **127,442** | 104,970 |
| VAT receivable | **6,377** | 4,527 |
| Prepayments | **19,831** | 14,521 |
| | **153,650** | 124,018 |

Further details on trade receivables can be found in Note 18.

**12. Cash and cash equivalents**

| | Unaudited 2023 $'000 | 2022 $'000 |
|---|---|---|
| Bank balances | **71,048** | 108,271 |

Cash and cash equivalents comprise cash balances held for the purposes of meeting short-term cash commitments and investments which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Where investments are categorised as cash equivalents, the related balances have a maturity of three months or less from the date of investment.

**13. Called-up share capital**

| | Unaudited 2023 €'000 | 2022 €'000 |
|---|---|---|
| **Authorised share capital** | | |
| 181,000,000 ordinary shares of €0.001 each | **181** | 181 |
| | **181** | 181 |

| | Unaudited 2023 $'000 | 2022 $'000 |
|---|---|---|
| **Allotted, called-up and fully paid** | | |
| **Opening balance** | | |
| 94,829,551 (2022: 94,921,970) ordinary shares of €0.001 each | **104** | 104 |
| **Acquired and cancelled** | | |
| 5,601,390 (2022: 92,419) ordinary shares of €0.001 each | **(7)** | - |

**13. Called-up share capital (continued)**

| | | |
|---|---|---|
| **Closing balance** | | |
| 89,228,161 (2022: 94,829,551) ordinary shares of €0.001 each | **97** | 104 |
| Total called-up share capital | **97** | 104 |

No ordinary shares were issued during the year (2022: $nil).

On 11 September 2023, a total of 5,601,390 shares were purchased under the Tender Offer, representing 5.9% of the Company's issued ordinary share capital. The shares were purchased at the Tender Price of £4.22 per share and, at this price, the total value of all shares purchased was £23.6 million (circa $30 million). Transaction costs associated with the transaction amounted to US$0.6 million and were accounted for as a deduction from retained earnings.

On 3 October 2022, under the authority granted at the Company's Annual General Meeting held on 26 May 2022, and in accordance with Section 1075 of the Companies Act 2014 and article 147 of the Articles of Association, the Company completed an odd lot offer which involved the acquisition of 92,419 ordinary shares of €0.001 each in the capital of the Company representing 0.1% of the then called-up share capital of the Company for a total cash consideration of $0.5 million. The odd lot offer buy back was funded from distributable reserves and all ordinary shares acquired by the Company were subsequently cancelled. Transaction costs associated with the transaction amounted to $0.1 million and were accounted for as a deduction from retained earnings.

**14. Bank loans**

| | **Unaudited 2023 $'000** | 2022 $'000 |
|---|---|---|
| Borrowings | **47,873** | 78,578 |
| **The borrowings are repayable as follows:** | | |
| Less than one year | **33,087** | 33,653 |
| Between two and five years | **15,712** | 47,142 |
| | **48,799** | 80,795 |
| Transaction costs | **(926)** | (2,217) |
| Total carrying amount | **47,873** | 78,578 |

**Borrowings**

On 11 December 2019, the Group entered into debt facilities with Absa Bank Limited (acting through its Corporate and Investment Banking Division) ("Absa"), The Emerging Africa Infrastructure Fund (part of the Private Infrastructure Development Group) ("EAIF"), Nedbank Limited (acting through its Nedbank Corporate and Investment Banking division) ("Nedbank"), Rand Merchant Bank and Standard Bank Group ("Standard Bank").

The debt facilities comprise a $110 million Term Loan Facility and a $40 million Revolving Credit Facility that share common terms and a common security package. The finance documentation also accommodates for a Mine Closure Guarantee Facility (provided by either the existing lenders or other finance providers) of up to $40 million, with the provider(s) of such a facility sharing in the common security package. The potential total aggregate principal amount of indebtedness secured under the finance documentation is therefore $190 million. The transaction costs for arrangement of the debt facilities amounted to $6.5 million.

The Term Loan Facility has a final maturity date of 11 March 2025. Interest is at SOFR plus 5.40% per annum. Repayment is in seven equal semi-annual instalments, beginning 11 March 2022.

On 11 November 2023 the Revolving Credit Facility was extended by 12 months and has a final maturity date of 11 December 2024. Interest is at SOFR plus 4.25% per annum.

The Group entered into a mine closure guarantee facility with Absa Bank Moçambique SA effective from 1 July 2023 for an amount of $26.6 million. This guarantee shares the security package with the Term Loan Facility and Revolving Credit Facility on a pro rata and pari passu basis.

The security package consists of (a) security over the Group's bank accounts (subject to certain exceptions), (b) pledges of the shares of Kenmare Moma Processing (Mauritius) Limited and Kenmare Moma Mining (Mauritius) Limited (the "Project Companies"), (c) security over intercompany loans, and (d) Mozambican law security interests over certain rights and agreements with Mozambican authorities, including over the Implementation Agreement, the Mineral Licensing Contract and the Mining Licence.

The carrying amount of the secured bank accounts of the Group was $70.9 million as at 31 December 2023 (2022: $102.9 million). The shares of the Project Companies and intercompany loans are not included in the consolidated statement of financial position as they are eliminated on consolidation. They, therefore, do not have a carrying amount but, upon enforcement of the pledges on behalf of the lender group, the shares in the Project Companies would cease to be owned or controlled by the Group. The secured rights and

**14. Bank loans (continued)**

agreements do not have a carrying amount. They are, however, necessary for the Project Companies to operate the Mine in Mozambique.

At 31 December 2023, total debt of $47.9 million (2022: $78.6 million) was recognised by the Group after $31.4 million of principal repayments were made against the term loan over the course of the year. Unamortised transaction costs of $0.9 million (2022: $2.2 million) plus interest amortised of $1.7 million (2022: $2.2 million) were recognised by the Group at 31 December 2023.

| Reconciliation of movements of debt to cash flows arising from financing activities | **Unaudited 2023 $'000** | 2022 $'000 |
|---|---|---|
| **Bank loans** | | |
| Balance at 1 January | **78,578** | 148,099 |
| **Cash movements** | | |
| Loan interest paid | **(7,211)** | (6,921) |
| Principal paid | **(31,429)** | (91,429) |
| Loan drawn down | - | 20,000 |
| **Non-cash movements** | | |
| Loan interest accrued | **7,935** | 8,829 |
| Balance at 31 December | **47,873** | 78,578 |

**Covenants**

The finance documents contain a number of representations, covenants and events of default on customary terms, the breach of which could lead to the secured parties under the finance documentation accelerating the outstanding loans and taking other enforcement steps, such as the enforcement of some or all of the security interests, which could lead to, in extremis, the Group losing its interest in the Mine. The most salient of the relevant terms that could lead to acceleration of the loans and/or enforcement of security are the financial covenants.

All covenants have been complied with during the year. The key financial covenants are detailed below:

| | **As at 31 December 2023** | **As at 31 December 2022** | | Covenant |
|---|---|---|---|---|
| Interest Coverage Ratio | **65.35:1** | 34.96:1 | Not less than | 4.00:1 |
| Net Debt to EBITDA | **(0.09):1** | (0.09):1 | Not greater than | 2.00:1 |
| Debt Service Coverage Ratio | **4.88:1** | 3.11:1 | Not less than | 1.20:1 |
| Liquidity | **$111,048,000** | $148,271,000 | Not less than | $15,000,000 |
| Reserve Tail Ratio | **81%** | 81% | Not less than | 30% |

The definition of the covenants under the debt facilities are set out below:

- Interest Coverage Ratio is defined as the ratio of EBITDA to Net Interest Cost.
- Net Debt is defined as total financial indebtedness excluding leases less consolidated cash and cash equivalents.
- The Debt Service Coverage Ratio is the ratio of cash and cash equivalents at the beginning of a reporting period plus available facilities plus cash generated in the period to debt repayments in the period.
- Liquidity is defined as consolidated cash and cash equivalents plus undrawn amounts of the Revolving Credit Facility.
- Reserve Tail Ratio means the reserve tail ratio, expressed as a percentage of the termination date reserves (estimated remaining reserves in March 2025) divided by the initial reserves (estimated reserves in December 2019).

**15. Provisions**

| | Unaudited 2023 $'000 | 2022 $'000 |
|---|---|---|
| Mine closure provision | **17,540** | 16,623 |
| Mine rehabilitation provision | **5,462** | 4,121 |
| Other provisions | **-** | - |
| | **23,002** | 20,744 |
| Current | **2,125** | 998 |
| Non-current | **20,877** | 19,746 |
| | **23,002** | 20,744 |

| | Mine Closure Provision $'000 | Mine Rehabilitation Provision $'000 | Other Provisions | Total $'000 |
|---|---|---|---|---|
| At 1 January 2022 | 35,959 | 3,998 | 2,264 | 42,221 |
| (Decrease)/increase in provision during the financial year | (20,080) | 4,131 | 948 | (15,001) |
| Provision utilised during the financial year | - | (4,008) | (3,212) | (7,220) |
| Unwinding of the discount | 744 | - | - | 744 |
| At 1 January 2023 | **16,623** | **4,121** | **-** | **20,744** |
| Increase in provision during the financial year | **241** | **1,720** | **-** | **1,961** |
| Provision utilised during the financial year | **-** | **(379)** | **-** | **(379)** |
| Unwinding of the discount | **676** | **-** | **-** | **676** |
| At 31 December 2023 | **17,540** | **5,462** | **-** | **23,002** |

The Mine closure provision represents the Directors' best estimate of the Project Companies' liability for close-down, dismantling and restoration of the mining and processing site. A corresponding amount equal to the provision is recognised as part of property, plant and equipment. The costs are estimated on the basis of a formal closure plan, are subject to regular review and are estimated based on the net present value of estimated future costs. Mine closure costs are a normal consequence of mining, and the majority of close-down and restoration expenditure is incurred at the end of the life of the Mine. The unwinding of the discount is recognised as a finance cost and $0.7 million (2022: $0.7 million) has been recognised in the statement of comprehensive income for the financial year.

The main assumptions used in the calculation of the estimated future costs include:

- a discount rate of 4.0% (2022: 4.0%);
- an inflation rate of 2% (2022: 2%);
- an estimated life of mine of 40 years (2022: 40 years). It is assumed that all licences and permits required to operate will be renewed or extended during the life of mine; and
- an estimated closure cost of $36.8 million (2022: $34.1 million) and an estimated post-closure monitoring provision of $2.6 million (2022: $3.9 million).

The life of mine plan is based on the Namalope, Nataka, Pilivili and Mualadi reserves and resources as set out in the reserve and resources table. Specific resource material is included only where there is a high degree of confidence in its economic extraction. The Mine closure provision has increased by $0.2 million as a result of a change in the estimated closure cost.

The discount rate is a significant factor in determining the Mine closure provision. The Branch uses rates as provided by the US Treasury. 30-year US Treasury yields are the longest period for which yields are quoted. This discount rate is deemed to provide the best estimate of the current market assessment of the time value of money. Risks specific to the liability are included in the cost estimate. A 1% increase in the estimated discount rate results in the Mine closure provision decreasing by $2.5 million (2022: $5.6 million). A 1% decrease in the estimated discount rate results in the Mine closure provision increasing by $4.3 million (2022: $12.4 million).

The Mine rehabilitation provision represents the Directors' best estimate of the Company's liability for rehabilitating areas disturbed by mining activities. Rehabilitation costs are recognised based on the area disturbed and estimated cost of rehabilitation per hectare, which is reviewed regularly against actual rehabilitation cost per hectare. Actual rehabilitation expenditure is incurred approximately 12 months after the area has been disturbed. During the financial year, there was a release of $0.4 million (2022: $4.0 million) to reflect the actual mine rehabilitation costs incurred, and an addition to the provision of $1.7 million (2022: $4.1 million) for areas newly disturbed.

**15. Provisions (continued)**

Other provisions comprise an amount of $nil (2022: $nil) in relation to a potential indirect tax liability. The matter was resolved in 2022 following a final settlement of $3.2 million agreed with the Mozambican Tax Authority.

**16. Trade and other payables**

| | **Unaudited 2023 $'000** | 2022 $'000 |
|---|---|---|
| Trade payables | **6,510** | 7,305 |
| Deferred income | **2,752** | 2,740 |
| Accruals | **29,302** | 25,248 |
| | **38,564** | 35,293 |

Included in accruals at the financial year end is an amount of $1.4 million (2022: $1.6 million) for payroll and social insurance taxes.

Deferred income relates to sales contracts which contain separate performance obligations for the sale of mineral products and the provision of freight services. The portion of the revenue representing the obligation to perform the freight service is deferred and recognised over time as the obligation is fulfilled, along with the associated costs.

**17. Current tax liabilities**

| | **Unaudited 2023 $'000** | 2022 $'000 |
|---|---|---|
| Current tax liabilities | **6,921** | 8,893 |

Refer to Note 6 for further information on the Group's tax expense.

| **18. Financial instruments** | **Unaudited 2023** | | 2022 | | |
|---|---|---|---|---|---|
| | **Carrying amount $'000** | **Fair value $'000** | Carrying amount $'000 | Fair value $'000 | |
| **Financial assets at fair value through profit and loss** | | | | | |
| Trade receivables [1] | - | - | 31,188 | 31,188 | Level 2 |
| **Financial assets at fair value through OCI** | | | | | |
| Trade receivables [2] | **110,534** | **110,534** | 43,065 | 43,065 | Level 2 |
| **Financial assets not measured at fair value** | | | | | |
| Trade receivables [3] | **16,908** | **16,908** | 30,717 | 30,717 | Level 2 |
| Cash and cash equivalents | **71,048** | **71,048** | 108,271 | 108,271 | Level 2 |
| | **198,490** | **198,490** | 213,241 | 213,241 | |
| **Financial liabilities not measured at fair value** | | | | | |
| Bank loans | **47,873** | **48,799** | 78,578 | 80,795 | Level 2 |

[1] Relates to trade receivables which will be discounted through the Barclay's Bank facility.
[2] Relates to trade receivables which may be factored through the ABSA facility or discounted through the Barclays's Bank facility.
[3] Relates to trade receivables which will not be discounted or factored.

**18. Financial instruments (continued)**

The carrying amounts and fair values of financial assets and financial liabilities including their levels in fair value hierarchy are detailed above. The table does not include fair value information for other receivables, prepayments, trade payables and accruals as these are not measured at fair value as the carrying amount is a reasonable approximation of their fair value.

Trade receivables or letters of credit where it is not known at initial recognition if they will be factored are classified as fair value through other comprehensive income (FVOCI). Trade receivables which will not be factored and for which balances will be recovered under the sale contract credit terms are initially measured at fair value and subsequently measured at amortised cost.

In the case of factored receivables, the Group derecognises the discounted receivable to which the arrangement applies when payment is received from the bank as the terms of the arrangement are non-recourse. The payment to the bank by the Group's customers are considered non-cash transactions for the purposes of the consolidated statement of cashflows.

The valuation technique used in measuring Level 2 fair values is discounted cash flows, which considers the expected receipts or payments discounted using adjusted market discount rates or where these rates are not available estimated discount rates.

The Group has exposure to credit risk, liquidity risk and market risk arising from financial instruments.

**Risk management framework**
The Board is ultimately responsible for risk management within the Group. It has delegated responsibility for the monitoring of the effectiveness of the Group's risk management and internal control systems to the Audit and Risk Committee. The Board and Audit and Risk Committee receive reports from executive management on the key risks to the business and the steps being taken to mitigate such risks. The Audit and Risk Committee is assisted in its role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Committee.

**Credit risk**
Credit risk is the risk of financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade receivables from customers. The carrying amount of financial assets represents the maximum credit exposure.

The Group's exposure to credit risk is influenced by the individual circumstances of each customer. The Group also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Before entering into sales contracts with new customers, the Group uses an external credit scoring system to assess the potential customer's credit quality. The credit quality of customers is reviewed regularly during the year and where appropriate credit limits or limits to the number of shipments which can be outstanding at any point are imposed.

The Group's customers have been transacting with the Group for a significant number of years, and no customers' balances have been written off or are credit impaired at the financial year end. In monitoring customer credit risk, customers are reviewed individually and the Group has not identified any factors that would merit reducing exposure to any particular customer. The Group does not require collateral in respect of trade receivables.

The gross exposure to credit risk for trade receivables by geographic region was as follows:

| | **Unaudited 2023 $'000** | 2022 $'000 |
|---|---|---|
| China | **38,693** | 19,009 |
| Asia (excluding China) | **24,905** | 17,243 |
| Europe | **34,150** | 45,806 |
| USA | **29,597** | 22,776 |
| Africa | **97** | 136 |
| Total | **127,442** | 104,970 |

**18. Financial instruments (continued)**

At 31 December 2023, $63.8 million (2022: $35.4 million) is due from the Group's three largest customers.

A summary of the Group's exposure to credit risk for trade receivables is as follows:

| | **Unaudited 2023 $'000** | 2022 $'000 |
|---|---|---|
| External credit ratings at least Baa3 (Moody's) | **65,266** | 31,188 |
| Other | **63,756** | 75,316 |
| Total gross carrying amount | **129,022** | 106,504 |
| Loss allowance | **(1,580)** | (1,534) |
| Total | **127,442** | 104,970 |

The following table provides ageing information relevant to the exposure to credit risk for trade receivables from individual customers. No balances were considered credit impaired at 31 December 2023 or 31 December 2022.

| | **Current $'000** | **More than 30 days past due $'000** | **More than 60 days past due $'000** | **More than 90 days past due $'000** | **Total $'000** |
|---|---|---|---|---|---|
| **2023** | **127,383** | **-** | **-** | **59** | **127,442** |
| 2022 | 104,962 | - | - | 8 | 104,970 |

**Expected credit loss assessment of trade receivables**

For trade receivables measured at fair value through OCI and trade receivables measured at amortised cost, the Group allocates to each customer a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, financial statements and available market information about customers) and applying experienced credit judgement.

The following table provides information about the exposure to credit risk and expected credit losses as at 31 December 2023.

| **Equivalent to Moody's credit rating** | **Weight average loss rate** | **Gross carrying amount $'000** | **Impairment loss allowance $'000** | **Credit impaired** |
|---|---|---|---|---|
| **Other** | **2.0%** | **63,756** | **1,580** | **No** |

The following table provides information about the exposure to credit risk and expected credit losses as at 31 December 2022.

| Equivalent to Moody's credit rating | Weight average loss rate | Gross carrying amount $'000 | Impairment loss allowance $'000 | Credit impaired |
|---|---|---|---|---|
| Other | 2.0% | 75,316 | 1,534 | No |

**18. Financial instruments (continued)**

The movement in expected credit losses in respect of trade receivables were measured at amortised cost or fair value through other comprehensive income during the year was as follows:

| | **Unaudited 2023 $'000** | 2022 $'000 |
|---|---|---|
| Balance at 1 January | **1,534** | 424 |
| Net remeasurement of loss allowance | **46** | 1,110 |
| Balance at 31 December | **1,580** | 1,534 |

The credit risk on cash and cash equivalents is limited because funds are deposited with banks with high credit ratings assigned by international credit rating agencies. For deposits in excess of $75 million the Group requires that the institution has an A- (S&P)/A3 (Moody's) long-term rating. For deposits in excess of $50 million, the Group requires that the institution has a BB- (S&P)/Ba3 (Moody's) long-term rating.

At 31 December 2023 and 2022 cash was deposited with the following banks:

| | **2023** | **Long-term credit rating** | | 2022 | Long-term credit rating | |
|---|---|---|---|---|---|---|
| | **$ million** | **S&P** | **Moody's** | $ million | S&P | Moody's |
| Nedbank Ltd | **25.8** | **BB-** | **Ba2** | - | - | - |
| Barclays Bank plc | **23.2** | **A/+ Stable** | **A1/ Stable** | 81.4 | A + | A1/ Stable |
| FirstRand Bank Limited | **10.1** | **BB-** | **Ba2** | - | BBB - | Ba2/ Stable |
| HSBC Bank plc | **-** | **-** | **-** | 1.0 | AA / Stable | A1/ Stable |
| Absa Bank Mauritius Limited | **4.9** | **-** | **Ba** | 20.5 | | Ba2/ Negative |

**Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled in cash payments. The Group's objective when managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when they are due.

The Group monitors Mine payment forecasts, both operating and capital, which assist it in monitoring cash flow requirements and optimising its cash return on investments. The Group aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities. The Group monitors the level of expected cash inflows on trade receivables together with expected cash outflows on trade and other payables.

The Group has a trade finance facility with Absa Bank for three of the Group's largest customers. In accordance with this facility, the bank purchases 80% of the receivable without recourse. The facility is for a maximum amount of $30.0 million with limits on the maximum amount that can be factored for each of the customers named in the facility. During the period, no trade receivables were factored under this agreement. At the year end, trade receivables amounting to $45.3 million (2022: $43.1 million) may be factored under this facility and are therefore included in trade receivables measured at fair value through OCI as at 31 December 2023. The cost of this facility for the period, which amounted to $nil million (2022: $0.2 million), is included in finance costs in the statement of comprehensive income and in net cash from operating activities in the statement of consolidated cash flows.

The Group has a trade facility with Barclays Bank for customers which it sells to under letter of credit terms. Under this facility, Barclays Bank confirms the letter of credit from the issuing bank and therefore assumes the credit risk. Barclays Bank can also discount these letters of credit thereby providing early payment of receivables to the Group. There is no limit under the Barclays Bank facility. During the period, trade receivables of $10.9 million (2022: $201.4 million) were discounted under this facility. At the year end, there were $65.2 million (2022: $31.2 million) of trade receivables which can be discounted under this facility. The cost of this facility for the period, which amounted to $1.5 million (2022: $2.0 million), is included in finance costs in the statement of comprehensive income and in net cash from operating activities in the statement of consolidated cash flows.

The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2023 based on the gross contractual undiscounted payments:

**18. Financial instruments (continued)**

| **Financial liabilities** | **Total $'000** | **Less than one year $'000** | **Between two and five years $'000** | **More than five years $'000** |
|---|---|---|---|---|
| Bank loans | **48,799** | **33,087** | **15,712** | **-** |
| Lease liabilities | **2,019** | **390** | **1,173** | **456** |
| Trade and other payables | **38,564** | **38,564** | **-** | **-** |
| | **89,382** | **72,041** | **16,885** | **456** |

The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2022 based on the gross contractual undiscounted payments:

| Financial liabilities | Total $'000 | Less than one year $'000 | Between two and five years $'000 | More than five years $'000 |
|---|---|---|---|---|
| Bank loans | 80,795 | 33,653 | 47,142 | - |
| Lease liabilities | 2,409 | 390 | 1,447 | 572 |
| Trade and other payables | 35,293 | 35,293 | - | - |
| | 118,497 | 69,336 | 48,589 | 572 |

As disclosed in Note 14, the Group has bank loans that contain loan covenants. A future breach of covenant may require the Group to repay the loan earlier than indicated in the above table. Under the loan agreement, the covenants are monitored on a regular basis by Group finance and regularly reported to management and the lenders to ensure compliance with the agreement.

Furthermore, the group has authorised and committed expenditure on operations-related capital projects amounting to $93,7 million (2022: $11.5 million).

**Risk concentration**

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. Details of concentration of revenue are included in Note 2.

**Market risk**

Market risk is risk that changes in market prices, foreign exchange rates and interest rates will affect the Group's income statement. The objective of market risk management is to manage and control market risk exposures while optimising returns.

**Currency risk**

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated and the respective functional currencies of Group companies. The functional currency of all Group entities is US Dollars. The presentational currency of the Group is US Dollars. Sales and bank loans are denominated in US Dollars, which significantly reduces the exposure of the Group to foreign currency risk. Payable transactions are denominated in Mozambican Metical, South African Rand, Euro, Sterling, Australian Dollar and Renminbi.

During the year the Group entered into an agreement with Absa Bank Mauritius Ltd for the purchase and sale of US Dollars and South African Rand and the purchase of Mozambican Metical. The limit on the facility is $24 million and the maximum tenor is 3 months. The Group also entered into an agreement with Standard Bank Mauritius Ltd for the purchase of South African Rand. The limit on the facility is approximately $12.0 million and the maximum tenor is 3 months. There were no forward contracts in place at the period end.

**18. Financial instruments (continued)**

**Exposure to currency risk**

The Group's gross exposure to currency risk as at 31 December 2023 is as follows.

| | **Mozambican Metical $'000** | **South African Rand $'000** | **Euro $'000** | **Sterling $'000** | **Australian Dollar $'000** | **Renminbi $'000** |
|---|---|---|---|---|---|---|
| Trade and other receivables | **12,956** | **1,712** | **338** | **395** | **156** | **-** |
| Cash and cash equivalents | **5,371** | **9,296** | **571** | **499** | **3** | **17** |
| Bank loans | **-** | **-** | **-** | **-** | **-** | **-** |
| Leases | **-** | **-** | **(1,255)** | **-** | **-** | **-** |
| Trade and other payables | **(12,919)** | **(1,741)** | **(296)** | **-** | **-** | **-** |
| Net exposure | **5,408** | **9,267** | **(642)** | **894** | **159** | **17** |

The Group's exposure to currency risk as at 31 December 2022 is as follows.

| | Mozambican Metical $'000 | South African Rand $'000 | Euro $'000 | Sterling $'000 | Australian Dollar $'000 | Renminbi $'000 |
|---|---|---|---|---|---|---|
| Trade and other receivables | 12,172 | 756 | 489 | 72 | 88 | - |
| Cash and cash equivalents | 1,397 | 12,894 | 892 | 1,129 | 17 | 34 |
| Bank loans | - | - | - | - | - | - |
| Leases | - | - | (1,255) | - | - | - |
| Trade and other payables | (20,367) | (2,178) | (502) | (10) | - | - |
| Net exposure | (6,798) | 11,472 | (376) | 1,191 | 105 | 34 |

**Sensitivity analysis**

A reasonably possible strengthening or weakening of the Mozambique Metical, South African Rand, Euro, Sterling, Australian Dollar and Renminbi by 10% against the US Dollar would have affected profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant.

| **Profit or loss** | **Mozambican Metical $'000** | **South African Rand $'000** | **Euro $'000** | **Sterling $'000** | **Australian Dollar $'000** | **Renminbi $'000** |
|---|---|---|---|---|---|---|
| **31 December 2023** | | | | | | |
| Strengthening | **540** | **927** | **(64)** | **89** | **16** | **2** |
| Weakening | **(540)** | **(927)** | **64** | **(89)** | **(16)** | **(2)** |
| **31 December 2022** | | | | | | |
| Strengthening | (680) | 1,147 | (38) | 119 | 11 | 3 |
| Weakening | 680 | (1,147) | 38 | (119) | (11) | (3) |

**Interest rate risk**

The loan facilities are arranged at variable rates and expose the Group to cash flow interest rate risk. Variable rates are based on six-month SOFR. The borrowing rate at financial year end was 11.3% (2022: 9.2%). The interest rate profile of the Group's loan balances at the financial year end was as follows:

| | **Unaudited 2023 $'000** | 2022 $'000 |
|---|---|---|
| Variable rate debt | **48,799** | 80,795 |

**18. Financial instruments (continued)**

Under the assumption that all other variables remain constant, a reasonable possible change of 1% in the six-month SOFR rate results in a $0.5 million (2022: $0.8 million) change in finance costs for the financial year.

The above sensitivity analyses are estimates of the impact of market risks assuming the specified change occurs. Actual results in the future may differ materially from these results due to developments in the global financial markets, which may cause fluctuations in interest rates to vary from the assumptions made above and therefore should not be considered a projection of likely future events.

**Interest rate benchmark reform**

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as “IBOR reform”), including LIBOR (the London Interbank Offered Rate).

Pursuant to an Amendment and Restatement Agreement entered into on 9 March 2023 in respect of the Group’s debt facilities, the basis on which interest is calculated in respect of those facilities was amended with effect from 11 March 2023. As a result of the amendment, interest rates for interest periods commencing from 11 March 2023 onwards were no longer determined by reference to US LIBOR; instead they are determined on the basis of the applicable Term SOFR Rate. While US LIBOR represented an inter-bank lending rate, Term SOFR is a published screen rate derived from SOFR, being the secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York. As SOFR represents a risk-free rate, a credit adjustment spread is applied in addition, which spread varies according to the length of the relevant interest period.

The Group has concluded that the new basis for determining cashflows is economically equivalent to the previous basis.

**19. Events after the statement of financial position date**

**New Debt Facility**

On 4 March 2024, the Group entered into a $200 million Revolving Credit Facility (“RCF”) provided by Absa Bank Limited (acting through its Corporate and Investment Banking Division), Nedbank Limited (acting through its Nedbank Corporate and Investment Banking division) (“Nedbank”), Rand Merchant Bank and Standard Bank Group (“Standard Bank”). The Mandated Lead Arranger in respect of the Facility was Rand Merchant Bank.

The interest rate is 4.85% plus SOFR with a term of five years. The facility replaces the existing corporate debt facilities that were put in place in 2019. The facility envisages the debt sharing of security with mine closure guarantee facility of up to $50 million (an increase from the $40 million facility under the existing facilities).

**Proposed dividend**

On 19 March 2024, the Board proposed a final dividend of USc38.54 per share. This proposed dividend is subject to approval by the shareholders at the Annual General Meeting. These financial statements do not reflect this dividend.

**GLOSSARY – ALTERNATIVE PERFORMANCE MEASURES**

Certain financial measures set out in the Annual Report to 31 December 2023 are not defined under International Financial Reporting Standards (IFRS), but represent additional measures used by the Board to assess performance and for reporting both internally and to shareholders and other external users. Presentation of these Alternative Performance Measures (APMs) provides useful supplemental information which, when viewed in conjunction with the Group's IFRS financial information, allows for a more meaningful understanding of the underlying financial and operating performance of the Group.

These non-IFRS measures should not be considered as an alternative to financial measures as defined under IFRS. Descriptions of the APMs included in this report, as well as their relevance for the Group, are disclosed below.

| APM | Description | Relevance |
|---|---|---|
| EBITDA | Operating profit/loss before depreciation and amortisation | Eliminates the effects of financing, tax and depreciation to allow assessment of the earnings and performance of the Group |
| EBITDA margin | Percentage of EBITDA to Mineral Product Revenue | Provides a group margin for the earnings and performance of the Group |
| Capital costs | Additions to property, plant and equipment in the period | Provides the amount spent by the Company on additions to property, plant and equipment in the period |
| Cash operating cost per tonne of finished product produced | Total costs less freight and other non-cash costs, including depreciation and inventory movements divided by final product production (tonnes) | Eliminates the non-cash impact on costs to identify the actual cash outlay for production and, as production levels increase or decrease, highlights operational performance by providing a comparable cash cost per tonne of product produced over time |
| Cash operating cost per tonne of ilmenite net of co-products | Cash operating costs less revenue of zircon, rutile and mineral sands concentrates, divided by ilmenite production (tonnes) | Eliminates the non-cash impact on costs to identify the actual cash outlay for production and, as production levels increase or decrease, highlights operational performance by providing a comparable cash cost per tonne of ilmenite produced over time |
| Net cash/debt | Bank loans before transaction costs, loan amendment fees and expenses plus lease liabilities net of cash and cash equivalents | Measures the amount the Group would have to raise through refinancing, asset sale or equity issue if its debt were to fall due immediately, and aids in developing an understanding of the leveraging of the Group |
| ROCE | Return on capital employed | ROCE measures how efficiently the Group generates profits from investment in its portfolio of assets. |
| Shareholder returns | Dividends and share buy backs | Shareholder returns comprise the interim dividend, the proposed final dividend to be approved by shareholders at the AGM and any share buy backs |

**EBITDA**

| | 2019<br>$m | 2020<br>$m | 2021<br>$m | 2022<br>$m | **2023**<br>**$m** |
|---|---|---|---|---|---|
| Operating profit | 57.3 | 33.4 | 151.1 | 233.4 | **155.1** |
| Depreciation | 33.4 | 42.3 | 63.1 | 64.6 | **65.2** |
| EBITDA | 90.7 | 75.7 | 214.2 | 298.0 | **220.3** |

**EBITDA margin**

| | 2019<br>$m | 2020<br>$m | 2021<br>$m | 2022<br>$'m | **2023**<br>**$'m** |
|---|---|---|---|---|---|
| EBITDA | 90.7 | 75.7 | 214.2 | 298.0 | **220.3** |
| Mineral Product Revenue | 255.5 | 231.5 | 420.5 | 498.4 | **437.1** |
| EBITDA margin (%) | 35% | 33% | 51% | 60% | **50%** |

**Cash operating cost per tonne of finished product**

| | 2019<br>$m | 2020<br>$m | 2021<br>$m | 2022<br>$m | **2023**<br>**$m** |
|---|---|---|---|---|---|
| Cost of sales | 195.7 | 192.3 | 295.0 | 282.7 | **294.9** |
| Administrative expenses | 17.9 | 18.1 | 9.8 | 9.9 | **8.4** |
| Total operating costs | 213.6 | 210.4 | 304.8 | 292.6 | **303.3** |
| Freight | (15.4) | (12.2) | (35.4) | (27.6) | **(21.4)** |

| | | | | | |
|---|---|---|---|---|---|
| Total operating costs less freight | 198.2 | 198.2 | 267.5 | 265.0 | **281.9** |
| Non-cash costs | | | | | |
| Depreciation and amortisation | (33.4) | (42.3) | (63.1) | (64.6) | **(65.2)** |
| Expected credit losses | - | - | (0.2) | (1.1) | **-** |
| Share-based payments | (1.8) | (0.5) | (1.1) | (2.2) | **(3.3)** |
| Mineral product inventory movements | (4.5) | 4.9 | (9.3) | 21.6 | **14.7** |
| Total cash operating costs | 158.5 | 160.3 | 195.7 | 218.7 | **228.1** |
| Final product production tonnes | 988,300 | 840,500 | 1,228,500 | 1,200,800 | **1,091,500** |
| Cash operating cost per tonne of finished product | $160 | $191 | $159 | $182 | **$209** |

**Cash operating cost per tonne of ilmenite**

| | 2019<br>$m | 2020<br>$m | 2021<br>$m | 2022<br>$'m | **2023**<br>**$'m** |
|---|---|---|---|---|---|
| Total cash operating costs | 158.5 | 160.3 | 195.7 | 218.7 | **228.1** |
| Less revenue from co-products zircon, rutile and mineral sands concentrate | (84.5) | (63.2) | (85.8) | (150.9) | **(122.0)** |
| Total cash costs less co-product revenue | 74.0 | 97.1 | 109.9 | 67.8 | **106.1** |
| Ilmenite product production tonnes | 892,900 | 756,000 | 1,119,400 | 1,088,300 | **986,300** |
| Cash operating cost per tonne of ilmenite | $83 | $128 | $98 | $62 | **$108** |

**Net cash/debt**

| | 2019<br>$'m | 2020<br>$'m | 2021<br>$'m | 2022<br>$'m | **2023**<br>**$'m** |
|---|---|---|---|---|---|
| Bank debt | (60.9) | (145.8) | (148.1) | (78.6) | **(47.9)** |
| Transaction costs | (6.6) | (5.4) | (3.8) | (2.2) | **(0.9)** |
| Gross debt | (67.5) | (151.2) | (151.9) | (80.8) | **(48.8)** |
| Lease liabilities | (4.5) | (3.4) | (2.2) | (1.8) | **(1.5)** |
| Cash and cash equivalents | 81.2 | 87.2 | 69.1 | 108.3 | **71.0** |
| Net cash/(debt) | 9.2 | (67.4) | (85.0) | 25.7 | **20.7** |

**Return on Capital Employed**

| | Restated<br>$m | Restated<br>$m | Restated<br>$m | 2022<br>$'m | **2023**<br>**$'m** |
|---|---|---|---|---|---|
| Operating profit | 57.3 | 33.4 | 151.1 | 233.4 | **155.1** |
| Total Equity and Non-Current Liabilities | 984.0 | 1,087.5 | 1,045.4 | 1,170.4 | **1,180.9** |
| ROCE | 6% | 3% | 15% | 20% | **13%** |

**GLOSSARY – TERMS**

| Term | Description |
|---|---|
| AIFR | All injuries frequency rate. Provides the number of injuries at the Mine in the year, per 200,000 hours worked. |
| AGM | Annual general meeting |
| CIF | The seller delivers when the goods pass the ship's rail in the port of shipment. Seller must pay the cost and freight necessary to bring goods to named port of destination. Risk of loss and damage are the same as CFR. Seller also has to procure marine insurance against buyer's risk of loss/damage during the carriage. Seller must clear the goods for export. This term can only be used for sea transport. |
| CFR | This term means the seller delivers when the goods pass the ship's rail in port of shipment. Seller must pay the costs and freight necessary to bring the goods to the named port of destination, but the risks of loss or damage, as well as any additional costs due to events occurring after the time of delivery, are transferred from seller to buyer. Seller must clear goods for export. This term can only be used for sea transport. |
| The Company or Parent Company | Kenmare Resources plc. |
| DFS | Definitive feasibility studies are the most detailed and will determine definitively whether to proceed with the project. A definitive feasibility study will be the basis for capital appropriation, and will provide the budget figures for the project. Detailed feasibility studies require a significant amount of formal engineering work and are accurate to within approximately 10–15%. |
| EdM | Electricidade de Moçambique. |
| EGM | Extraordinary General Meeting |
| EPCM | Engineering, Procurement and Construction Management. |
| FOB | Free on Board means that the seller delivers when the goods pass the ship's rail at the named port of shipment. This means the buyer has to bear all costs and risks to the goods from that point. The seller must clear the goods for export. This term can only be used for sea transport. |
| Free Cash Flow | Free Cash Flow is the cash generated by the Group in a reporting period before distributions to shareholders. |
| Gender diversity | Percentage of females in the workforce at the Moma Mine. The Group recognise the benefits to our business of supporting diversity, equity, and inclusion for long-term sustainable success. |
| GHG emissions | Scope 1 & 2 Greenhouse Gas emissions. The Group acknowledges the human contribution to climate change and aim to reduce emissions its already low carbon intensity operations. |
| **GISTM** | Global Industry Standard of Tailings Management |
| Group or Kenmare | Kenmare Resources plc and its subsidiary undertakings. |
| HMC | Heavy mineral concentrate extracted from mineral sands deposits and which include ilmenite, zircon, rutile and other heavy minerals and silica. |
| Implementation Agreement | The agreement for the Moma Heavy Mineral Sands Industrial Free Zone Project between Kenmare Moma Processing Limited (a company incorporated in Jersey whose rights and interests were transferred to KMPL in November 2002), a wholly owned subsidiary of Kenmare, and Mozambique dated 21 January 2002. |
| KMAD | Kenmare Moma Development Association |
| KMML Mozambique Branch | Mozambique branch of Kenmare Moma Mining (Mauritius) Limited (KMML). |
| KMPL Mozambique Branch | Mozambique branch of Kenmare Moma Processing (Mauritius) Limited (KMPL). |
| KRSP | Kenmare Resources plc Restricted Share Plan |
| Lenders | Absa Bank Limited (acting through its Corporate and Investment Banking Division) ("Absa"), The Emerging Africa Infrastructure Fund (part of the Private Infrastructure Development Group ("PIDG")) ("EAIF"), Nedbank Limited (acting through its Nedbank Corporate and Investment Banking division) ("Nedbank"), Rand Merchant Bank and Standard Bank Group ("Standard Bank"). |
| LTI | Lost time injury. Measures the number of injuries at the mine that result in time lost from work. |
| LTIFR | Lost time injury frequency rate. Measures the number of injuries causing lost time per 200,000 man hours worked on site |
| Marketing – finished products shipped | Finished products shipped to customers during the period. Provides a measure of finished products shipped to customers |

| | |
|---|---|
| Mining – HMC produced | Heavy mineral concentrate extracted from mineral sands deposits and which includes ilmenite, zircon, rutile, concentrates and other heavy minerals and silica. Provides a measure of heavy mineral concentrate extracted from the Mine |
| Moma, Moma Mine or the Mine | The Moma Titanium Minerals Mine consisting of a heavy mineral sands mine, processing facilities and associated infrastructure, which is located in the north east coast of Mozambique under licence to the Project Companies. |
| Mine Closure Guarantee Facility | $40 million debt facility dated 11 December 2019 between the Lenders and KMML Mozambique Branch and KMPL Mozambique Branch. |
| MTA | Mozambique Ministry of Land and Environment. |
| MSP | Mineral Separation Plant. |
| Mtpa | Million tonnes per annum. |
| NOSA | National Occupational Safety Association |
| OIA | Oman Investment Authority formerly the State General Reserve Fund of the Sultanate of Oman. |
| Odd lot offer | The offer made by the Company to members in the UK and Ireland who held certificated holdings of less than 200 ordinary shares as described in the circular to shareholders dated 21 April 2022. |
| Ordinary Shares | Ordinary shares of €0.001 each in the capital of the Company. |
| PFS | A feasibility study is an evaluation of a proposed mining project to determine whether the mineral resource can be mined economically. Pre-feasibility study is used to determine whether to proceed with a detailed feasibility study and to determine areas within the project that require more attention. Pre-feasibility studies are done by factoring known unit costs and by estimating gross dimensions or quantities once conceptual or preliminary engineering and mine design has been completed. |
| Processing – finished products produced | Finished products produced by the mineral separation process. Provides a measure of finished products produced from the processing plants |
| Project Companies | Kenmare Moma Mining (Mauritius) Limited and Kenmare Moma Processing (Mauritius) Limited, wholly owned subsidiary undertakings of Kenmare Resources plc, which are incorporated in Mauritius. |
| Revolving Credit Facility | $200 million debt facility which was executed 11 March 2024 between the Lenders and KMML Mozambique Branch and KMPL Mozambique Branch. |
| RUPS | Rotary Uninterruptible Power Supply |
| TCFD | Task Force on Climate Related Financial Disclosures |
| Tender Offer | The invitation by the Company to eligible shareholders to tender Ordinary Shares for purchase on-market by Peel Hunt LLP on the terms and subject to the conditions set out in the circular dated 15 August 2023. |
| Term Loan Facility | $110 million debt facility dated 11 December 2019 between the Lenders and KMML Mozambique Branch and KMPL Mozambique Branch. |
| THM | Total heavy minerals in the ore of which ilmenite (typically 82%), rutile (typically 2.0%) and zircon (typically 5.5%) total approximately 90%. |
| UK | United Kingdom |
| WCP | Wet Concentrator Plant. |
| WCP A | The original WCP which started production in 2007. |
| WCP B | The second WCP which started production in 2013. |
| WCP C | The third WCP which started production in 2020. |
| WHIMS | Wet High Intensity Magnetic Separation Plant. |