RESPONSIBLY MEETING GLOBAL DEMAND FOR QUALITY-OF-LIFE MINERALS

ANNUAL REPORT AND ACCOUNTS 2023

KENMARE
RESOURCES PLC

WELCOME TO THE 2023 ANNUAL REPORT

KENMARE'S PURPOSE

RESPONSIBLY MEETING GLOBAL DEMAND FOR QUALITY-OF-LIFE MINERALS

Who Kenmare is

Kenmare Resources plc is one of the world's largest producers of mineral sands products. Listed on the London Stock Exchange and Euronext Dublin, the Company operates the Moma Titanium Minerals Mine, which is located on the north east coast of Mozambique. Kenmare's mineral sands products are key raw materials ultimately consumed in everyday "quality-of-life" items such as paints, plastics and ceramic tiles. The Moma Mine has been in production for 17 years and Kenmare has a long-standing commitment to being a responsible corporate citizen.

What Kenmare does

Kenmare's production in 2023 accounted for approximately 7% of global titanium feedstocks, supplying over 25 customers operating in more than 15 countries. The Mine has Mineral Resources sufficient to support production for more than 100 years at current rates.

How Kenmare does it

Kenmare has three mining ponds where dredges mine titanium-rich sands. Three to five percent of the ore contains valuable heavy minerals, which are removed and separated at its Mineral Separation Plant into four final products: ilmenite, zircon, rutile and mineral sands concentrate. These products are then loaded onto ocean-going vessels at its dedicated port facility. After mining, Kenmare rehabilitates the land, and it is progressively returned to the local community. Kenmare is proud of its low environmental impact, with hydro-electric power providing half of its overall energy requirements and over 90% of its electrical power consumption, and with no toxic chemicals used in its operations.

KENMARE'S GUIDING PRINCIPLES THAT INFORM EVERYTHING THE COMPANY DOES:

We Care **We Grow** **We Excel**

Learn more about Kenmare's products on pages 16 to 17

For more information visit:
www.kenmareresources.com

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Read Kenmare's

Sustainability Report 2023

Read Kenmare's

KMAD Report 2023

2023 highlights

LOST TIME INJURY FREQUENCY RATE

0.15

Per 200,000 hours worked

SCOPE 1 CARBON EMISSIONS

57,141

tonnes CO_2e

PRODUCTION OF FINISHED PRODUCTS

1,091,500

tonnes

SHIPMENTS OF FINISHED PRODUCTS

1,045,200

tonnes

REVENUE

$458.5

million

EBITDA

$220.3

million

PROFIT AFTER TAX

$131.0

million

DIVIDEND PER SHARE

USc56.04

Contents

KENMARE'S UNIQUE VALUE PROPOSITION

WITH A COMMITMENT TO RESPONSIBLE BUSINESS PRACTICE, A MINE LIFE OF OVER 100 YEARS, A 17-YEAR PRODUCTION TRACK RECORD AND A STRONG BALANCE SHEET, KENMARE HAS A UNIQUE VALUE PROPOSITION.

Operate responsibly

A lasting social impact

Sustainability is central to every aspect of how Kenmare operates, whether it is the safety and health of its employees, potential impacts to the environment, or how the Company relates to its host communities.

A small environmental footprint

Kenmare aims to reduce emissions from its already low carbon intensity operations. Through decarbonisation and active offsetting, the Company has an ambition to achieve Net Zero on Scope 1 and 2 emissions by 2040.

Deliver long-life, low-cost production

A globally significant titanium minerals deposit

The Moma Mine hosts one of the world's largest resources of titanium minerals. At current production rates, Moma's mine life exceeds 100 years. This provides growth optionality as global demand increases and other mines deplete.

A market-leading position

Kenmare is the world's largest supplier of ilmenite, the primary mineral used in the production of titanium dioxide. Titanium dioxide is a bright white pigment consumed in the production of paints, paper and plastics. Demand for these "quality-of-life" minerals has grown steadily over time.

Allocate capital efficiently

Significant shareholder returns

Kenmare aims to return value to its shareholders through a combination of dividends, share buy-backs and capital appreciation. The Company has a dividend policy to pay out 20%-40% of underlying profit after tax. Since 2019, cumulative returns to shareholders exceed $250 million, including the 2023 dividend.

A strong balance sheet

Kenmare intends to maintain its strong balance sheet to fund healthy returns to shareholders, the capital requirements of the business and the next phase of growth.

THROUGH THE COMPANY'S THREE STRATEGIC PRIORITIES, KENMARE AIMS TO DELIVER COMPELLING VALUE FOR ALL STAKEHOLDERS.

1,708
People employed by Kenmare at end 2023

$4.7m
Investment by KMAD in 2023

204,000
Trees planted in 2023

>90%
Electricity provided by renewable sources

>100yrs
Life of mine at current production rate

9.0bnt
Moma's Mineral Resources

7%
Of global titanium minerals are produced at Moma

$4.4bn
Titanium feedstocks industry revenue

$50.0m
2023 dividend distribution

>$250m
Returned to shareholders since 2019

$20.7m
Net cash at 31 December 2023

50%
2023 EBITDA margin

2023 A YEAR IN REVIEW

February

Severe lightning strike impacts the Moma Mine

Kenmare employs a range of protection systems to minimise the impact of seasonal lightning strikes on operations, which alleviate most dips and spikes in power supply to the Mine. However, in early February 2023, power lines close to Moma were hit by a direct lightning strike of unusually high intensity, which cut two powerline conductors and overwhelmed the Mine's lightning protection systems. Mining operations were severely disrupted and this impacted annual production of Heavy Mineral Concentrate and ilmenite.

80%
of power dips and spikes typically alleviated

April

Capital Markets Day held in London

Kenmare hosted a Capital Markets Day to present its plans to upgrade Wet Concentrator Plant A and to move it to the Nataka ore zone in late 2025. Nataka is the largest of Moma's ore zones, representing over 70% of Kenmare's Mineral Resources. Capital expenditure to the end of 2027 for the upgrade and move is expected to be $326-341 million.

>70%
of Moma's Mineral Resources are in Nataka

August

Record first half revenue and profit after tax

Kenmare generated record first half revenue and profit after tax in H1 2023. As a result, the Company paid a 2023 interim dividend of USc17.5 per share in October 2023, which represented a 59% increase compared to H1 2022 (USc10.98).

59%
increase in interim dividend per share

September
Share buy-back completed

Kenmare repurchased 5.9% of the Company's issued share capital through a share buy-back for a total consideration of $30.0 million. The share buy-back was part of Kenmare's programme to deliver strong shareholder returns.

5.9%
of issued share capital repurchased

December
Two million hours worked without a Lost Time Injury

Kenmare achieved two million hours worked without a Lost Time Injury (LTI) in December 2023. The Company continues to focus on the training and development of its employees with the aim of fostering a robust safety culture at the Mine.

2 million
hours worked without an LTI

Sustainability pillars

SAFE AND ENGAGED WORKFORCE

HEALTHY NATURAL ENVIRONMENT

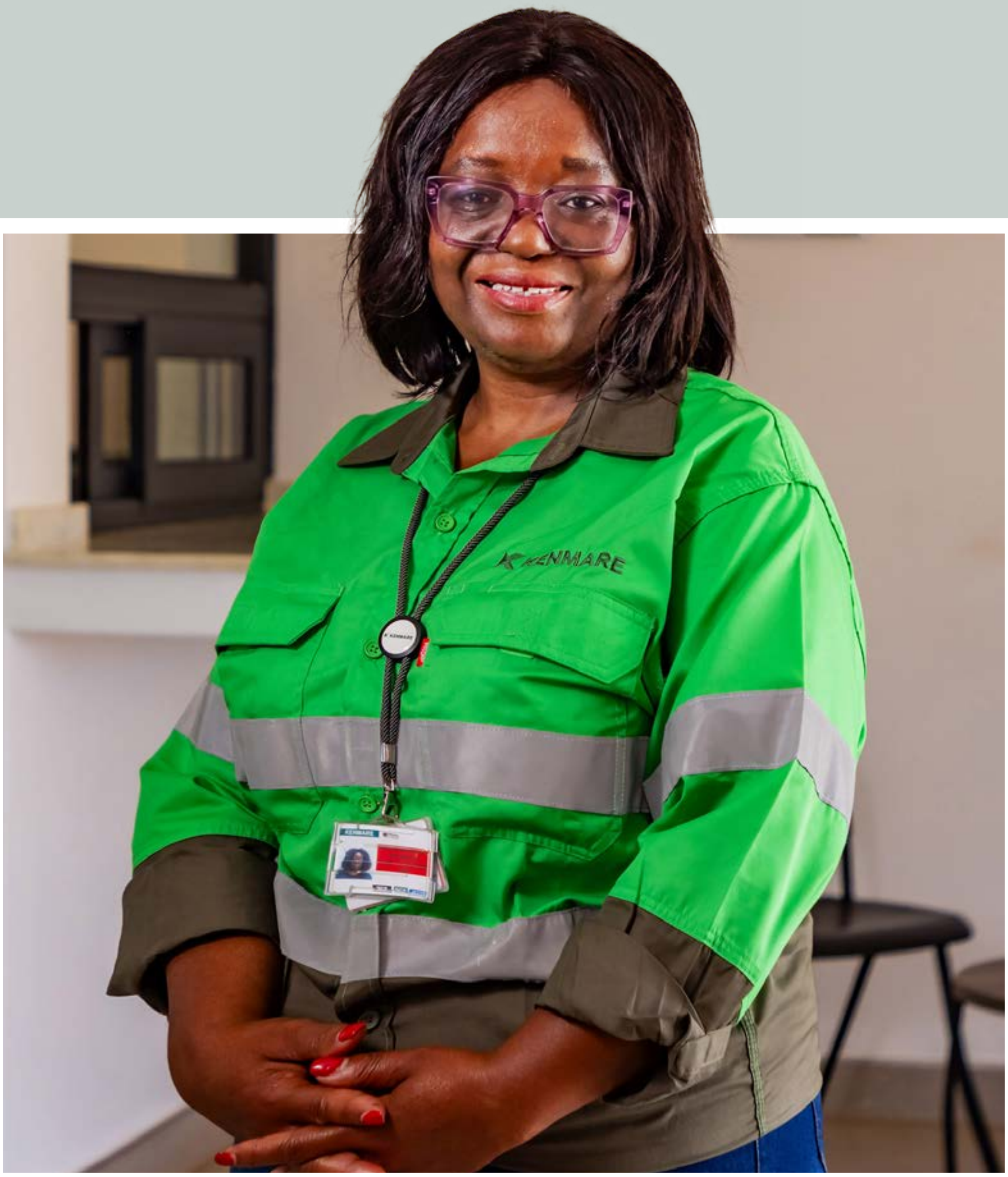
THRIVING COMMUNITIES

TRUSTED BUSINESS

Outlook

2024 is going to be an exciting year of delivery for Kenmare, in terms of operations, growth opportunities and sustainability.

Read more about what Kenmare's Environmental, Health & Safety Manager is looking forward to delivering in 2024 on page 6



In late February 2024, Kenmare passed the milestone of three million hours worked without a Lost Time Injury. For the remainder of 2024, Babra's objective is to further strengthen Kenmare's safety culture by building on past success.

Babra Mudzanapabwe
ENVIRONMENTAL, HEALTH AND SAFETY MANAGER

STRATEGIC REPORT

CHAIRMAN'S STATEMENT

"WE DELIVERED ANOTHER YEAR OF ROBUST FINANCIAL RESULTS AND WERE ABLE TO RETURN $80 MILLION TO SHAREHOLDERS."

Andrew Webb
CHAIRMAN

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 and the Board and executive team are focused on detailed oversight and effective delivery of the project, supporting successful mining in the new ore zone 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.

Read more about Kenmare's sustainability strategy on pages 60 to 61

CHAIRMAN'S STATEMENT CONTINUED

Read more about Board development on pages 90 to 91

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.

40%
Target female Board representation from May 2024

"IN 2024 WE ARE EMBARKING ON A CAPITAL PROGRAMME TO UNLOCK THE VALUE FROM THE LARGE NATAKA ORE ZONE."

Andrew Webb

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

By the end of 2023, 16% of Kenmare's employees were female, well above the industry average of 12%. The Company is proud that it is making good progress towards its target of 20% by the end of 2025. The number of senior management roles held by women at Moma increased to 40% in 2023, compared to 25% in 2022.

MANAGING DIRECTOR'S STATEMENT

"OUR FIRST QUARTILE INDUSTRY POSITION SUPPORTS OUR ABILITY TO GENERATE STRONG CASH FLOW EVEN DURING PERIODS OF WEAKER PRICING"

Michael Carvill
MANAGING DIRECTOR

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 Wet Concentrator Plant (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.

3 million
Hours worked without a Lost Time Injury by late February 2024

Safety

In late February 2024, we passed the milestone of three million hours worked without a Lost Time Injury (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 Heavy Mineral Concentrate (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.

986,300t
Ilmenite production in 2023

To improve future regional power reliability, Kenmare part-funded the refurbishment of the Nampula STATCOM on the Electricidade de Mozambique (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.

"SINCE KMAD'S INCEPTION IN 2004, OVER $20M HAS BEEN INVESTED IN COMMUNITY DEVELOPMENT INITIATIVES."

Michael Carvill

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.

14%
Reduction in Scope 1 emissions

Read more about Kenmare's operations on pages 40 to 41

Read more about KMAD on page 64

MANAGING DIRECTOR'S STATEMENT CONTINUED

Read more about sustainability on pages 58 to 74

Read more about Kenmare's capital projects on pages 40 to 41

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 Definitive Feasibility Study (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 Pre-Feasibility Study 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

Kenmare established the Kenmare Moma Development Association (KMAD) in 2004 to support people living in the Moma Mine's host communities in Mozambique. Since then, some of its initiatives have included installing 30 water supply systems, building three community medical centres and constructing and furnishing a Technical College.

KENMARE'S PRODUCTS

WHAT KENMARE PRODUCES

Kenmare has two core product streams: titanium feedstocks (ilmenite and rutile) and zircon, which is a zirconium mineral. Ilmenite is the Company's primary product, typically representing more than 70% of revenue. Kenmare also produces a small quantity of monazite (a mineral containing rare-earth elements) as part of a mixture of products in a concentrate.

Titanium and zirconium minerals are known for imparting the qualities of whiteness and opacity in the products they are consumed in. These products can be found in many areas of everyday life.

Titanium feedstocks

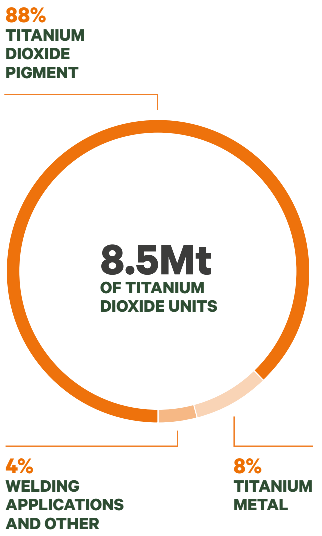
The production of titanium dioxide pigment accounts for approximately 90% of the demand for titanium feedstocks, like ilmenite and rutile, with smaller quantities used to produce titanium metal and welding electrode fluxes.

In 2023, global titanium feedstock production generated revenue of $4.4 billion and the titanium dioxide pigment industry generated revenue of approximately $18.2 billion.

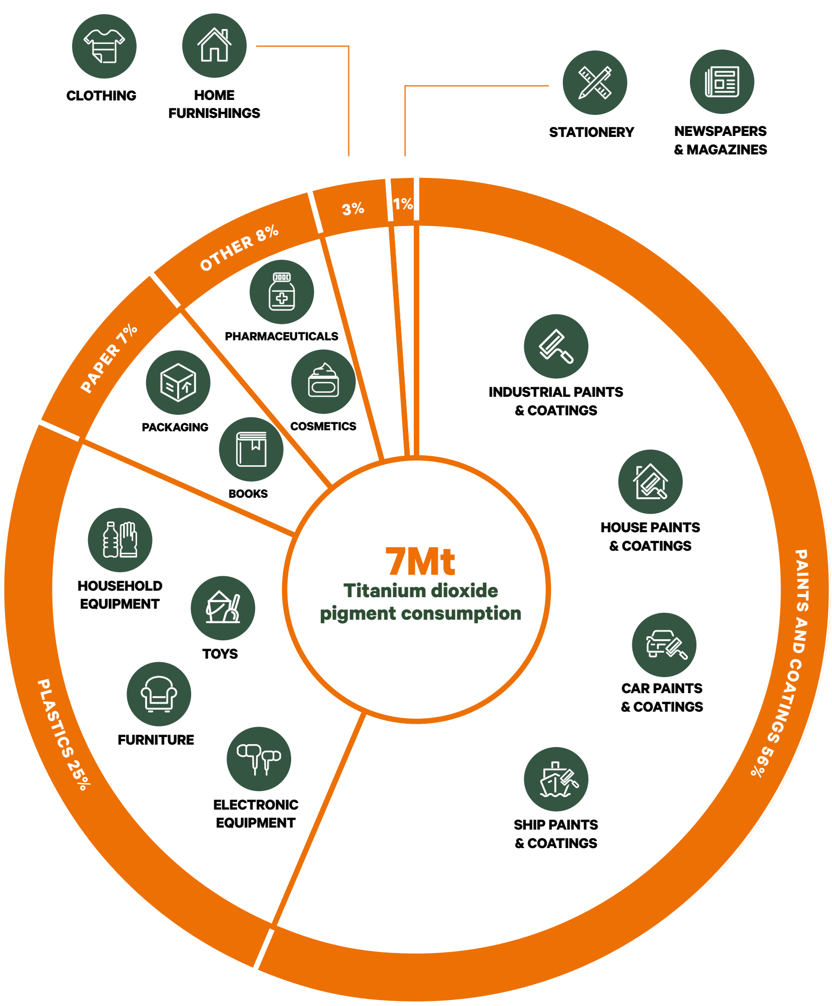
986.3kt
Ilmenite produced by Kenmare in 2023

7%
of global titanium feedstock production

USES OF TITANIUM MINERALS

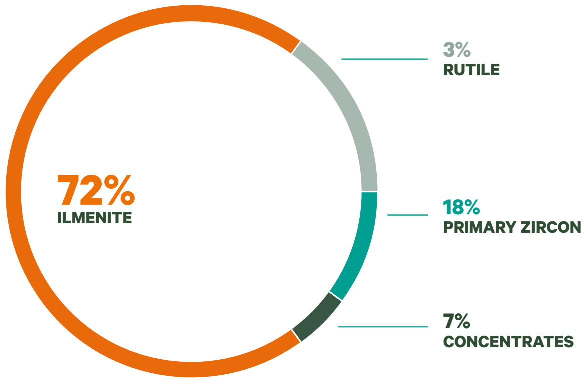


TITANIUM DIOXIDE PIGMENT CONSUMPTION



REVENUE BY PRODUCT

Ilmenite is Kenmare's primary product, representing 72% of revenue in 2023. The relative percentages of the different products sold change with the pricing of the commodities as well as the volumes of shipments made, which can vary from one period to the next.



Zircon

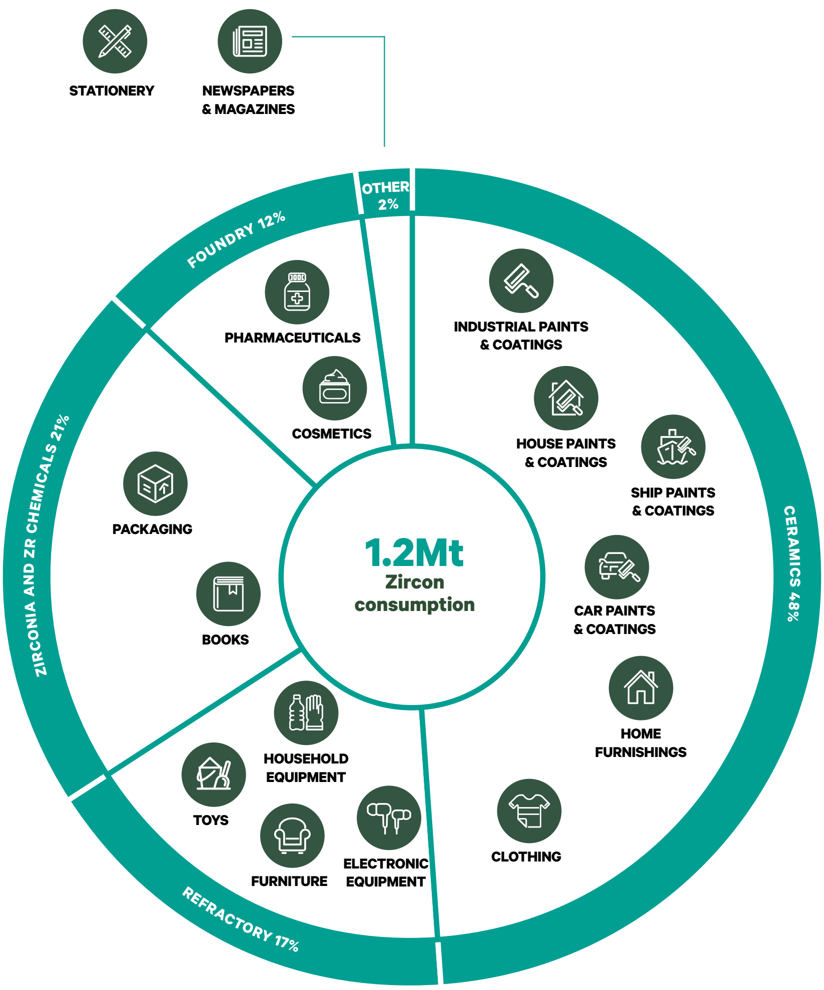
Zircon sand is an important feedstock to a wide range of industries, of which the ceramics sector is the largest consumer, due to zircon's brilliant whiteness. Zircon is also used in refractory, foundry and chemical applications, which are essential to modern manufacturing.

In 2023, the zircon sand supply sector generated revenue of approximately $2.3 billion, with Europe and Asia being the largest markets.

51.1kt
Zircon produced by Kenmare in 2023

5%
of global zircon production

ZIRCON CONSUMPTION



KENMARE'S BUSINESS

Kenmare is focused on creating value for all stakeholders through its purpose of "Responsibly meeting global demand for quality-of-life minerals." This purpose is best served through the alignment of Kenmare's culture with its vision, strategy and values.

Kenmare's actions are informed by its guiding principles: We Care, We Grow, We Excel.

We care for:

- The safety, health, security and well-being of our employees, the environment, communities and other stakeholders.
- Our host communities by forming partnerships; sharing and participating in the preservation of their environment, traditions and values.
- Company assets by providing suitable security and risk management systems and striving for best practice in their operation and maintenance.

We grow our:

- Employees by providing attractive work opportunities, treating them fairly and providing opportunities for personal growth to match their interests and capabilities.
- Host communities by forming partnerships to develop and promote economic and social well-being.
- Company through exploration, production expansion projects, and expanding existing and new markets.

We excel by:

- Optimising operations, increasing productivity and lowering costs through the continuous improvement of processes, procedures and skills.
- Achieving control and standardisation through planning and developing systems and processes of work.
- Striving for best practice in all areas of operations, customer service and corporate citizenship.

Positioned in the first quartile

What it means

A first quartile producer generates more revenues per dollar of cash costs than 75% of its competitors.

The benefits

Companies who operate in the first quartile will generate higher cash margins, providing an opportunity to invest through the commodity cycle, while supporting returns to shareholders.

KENMARE'S PEOPLE AND CULTURE

BY CARING FOR ITS PEOPLE, KENMARE CAN HELP THEM GROW TO ENSURE THEY EXCEL IN ALL ASPECTS OF THEIR LIFE, THEIR COMMUNITIES AND THEIR ROLE IN THE BUSINESS.

Kenmare's people are a key resource...

Kenmare believes that its employees are the cornerstone of the business and that a partnership approach is vital to achieving its business objectives. The Company's ability to attract, retain and motivate a diverse, high calibre and localised workforce is at the heart of its ongoing success and sustainability as a business.

The Company works to address the challenges relating to the unequal gender representation at all levels within the business and growing female representation continues to be one of the Key Performance Indicators being tracked by the Moma Mine ESG Scorecard. You can read more about Kenmare's progress on gender diversity within the Sustainability Strategy update, on page 60.

Kenmare prides itself on being an organisation where employees can continue to grow and develop over many years. Every two years the Company hosts a Long Service Awards ceremony, where around 500 employees are celebrated. Employees who have reached the milestone of 10, 20, or even 30 years of service are invited. Kenmare is proud of the long-term commitment many of its team members have made to the success of the business.

1,708
Kenmare employees

97%
Mozambican workforce at Moma

and the Company strives to put their safety first...

Employee safety is Kenmare's highest priority. This commitment to zero-harm drives day-to-day decision making and work. To do this, Kenmare takes a proactive approach to assessing potential risks, managing safety measures and sharing learnings to continuously improve performance.

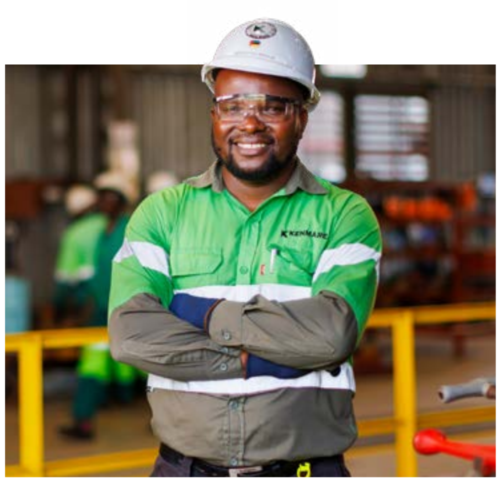
Building on this, the Company invests significantly in training and development to equip its people with the skills and knowledge they need to contribute to a strong safety culture. In 2023, the Company invested $1.2 million to provide 75,000 hours of training for its employees.

The phrase "Trabalho Seguro", which means "safe work" in Portuguese, has become a core message, which is serving to activate workforce engagement and behavioural change. At the end of February 2024, Kenmare achieved three million hours worked without a Lost Time Injury.

Supporting the health and well-being of Kenmare's workforce is another key priority and more information can be found about it on page 62.

0.15
Lost Time Injury Frequency Rate

51%
Decrease in malaria cases



Kenmare's dynamic workplace culture is driven by its values:

- INTEGRITY
- COMMITMENT
- ACCOUNTABILITY
- RESPECT
- EXCELLENCE

valuing and nurturing them...

Kenmare's values of Integrity, Commitment, Accountability, Respect, and Excellence (ICARE) guide how employees work together and treat each other. The Company's operations are also carried out in accordance with these five values. They are essential for Kenmare's success, and the Company continues to empower and encourage its people to live by them in both their individual roles and teams.

Kenmare provides competitive remuneration and invests in the professional and personal development of its employees, while providing a safe and healthy working environment. Employees are paid a living wage and in 2023, the minimum standard wage for an entry-level position at Kenmare was more than double the wage set by the Government of Mozambique. The Company includes maximum working hours in its employment conditions and procedures, while also adhering to relevant employment laws.

Kenmare respects the rights of all employees to freedom of association and the right to collective bargaining without interference or discrimination. Almost half of the Company's Mozambican workforce are members of the SINTICIM trade union, and during 2023, labour relations were positive, with no industrial actions or disputes.

Personal development remains a priority focus for the Operations team, with all leaders having undertaken a Leadership Coaching Programme by the end of 2023.

$1.2m
Invested in employee training

75,000
Hours of employee training

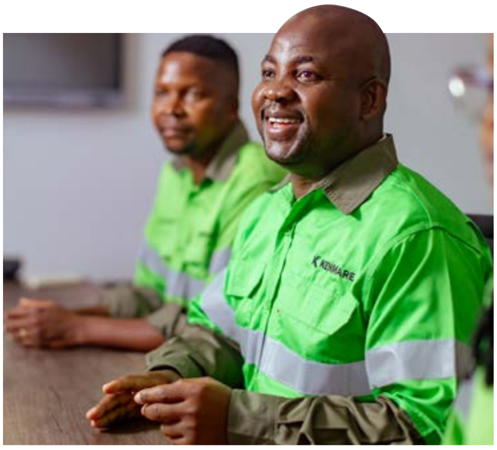
to create a dynamic workplace culture.

Kenmare aims to foster a purpose led, high-performance and inclusive culture. Its values and guiding principles shape its behaviour and define this culture. These are fundamental to ensuring the Company creates the maximum benefits for all stakeholders.

The Company ran several workshops in 2023 to review and update Kenmare's purpose. Executive Committee members and site-based leadership facilitated sessions whereby employees talked about what working for Kenmare meant to them, why they had chosen to work here and what motivates them to give their best to the job each day. Employees shared that the Company genuinely cares about their safety, wellbeing and career development. They are also proud to work for an organisation that makes such a significant socio-economic contribution to Mozambique in terms of job creation, responsible mining practices and initiatives to uplift the health, education and livelihoods of communities. This new Company purpose is expected to be finalised later in H1 2024 and it will be tested with employees throughout Kenmare before it is adopted and rolled out.

5
Kenmare values (ICARE)

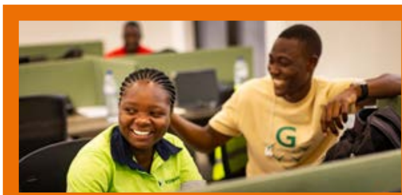
3
Guiding principles



STAKEHOLDER ENGAGEMENT

KENMARE HAS CONSTRUCTIVE LONG-TERM RELATIONSHIPS WITH ALL OF ITS STAKEHOLDERS

Responsibility for stakeholder engagement is embedded across the business, including with the Board, the Executive Committee, site leadership, community liaison teams, the Kenmare Moma Development Association (KMAD), contractors, and all representatives of the business. With a life of mine of over 100 years, it is essential that the Company's engagement with its stakeholders is open and collaborative, supporting the lasting success of the business. Kenmare uses appropriate mechanisms to interact with its stakeholders, provide them with information and learn about their interests and concerns.



	Employees and unions	Communities
Importance of engaging	Kenmare believes that its employees are critical to its success and that a partnership approach is vital to achieving business objectives. The Company provides competitive remuneration and invests in professional and personal development, while providing a safe and healthy working environment.	Kenmare values its relationship with its host communities highly. The Company's stakeholder engagement plan is updated annually and reflects the evolving dynamics in the relationship between the Mine and host communities.
Ways in which Kenmare engages stakeholders and how engagement is monitored	▶ Facilitates quarterly union meetings ▶ Undertakes quarterly performance and feedback meetings with employees ▶ Undertakes bi-monthly departmental "focal point" meetings ▶ Engages union representatives constructively on collective bargaining issues ▶ Supports networking forums such as the Kenmare Women in Mining Forum ▶ Operates an independent whistleblowing service ▶ Publishes Company newsletters and hosts regular "Toolbox Talks" and Town Hall meetings, as well as undertaking staff engagement surveys	▶ Holds formal bi-monthly and informal ad hoc community meetings to understand and discuss host communities' concerns and priorities ▶ Supports local radio stations to inform the community of Kenmare and KMAD's activities ▶ Conducts Environmental, Social and Health Impact Assessments to identify potential positive and negative impacts of the Mine's activities ▶ Operates grievance mechanisms to address community concerns and maintains a grievance register ▶ KMAD hosts three Local Working Group community meetings annually and publishes a quarterly newsletter
Significant topics raised	▶ Training and development opportunities ▶ Remuneration ▶ Working conditions ▶ Labour rights ▶ Human rights ▶ Health and safety	▶ Respect for local values and traditions ▶ Socio-economic development ▶ Employment and procurement opportunities ▶ Land rehabilitation ▶ Community wellbeing
Kenmare's response and actions taken	▶ 290 public security personnel have received external training on the Voluntary Principles ▶ Leadership development training programme ▶ Female representation in Mine workforce reached 16%, with 40% female representation in senior management	▶ 187 hectares of land rehabilitated ▶ \$940,000 generated by KMAD sponsored micro-businesses ▶ Three water systems installed, upgraded, or repaired ▶ Contract signed for the construction of a new district hospital in Larde

Read more about Kenmare's safe and engaged workforce on pages 62 to 63

Read more about how Kenmare supports local communities on pages 64 to 65

Government and regulators

Kenmare complies with applicable laws and regulations and ensures that Mozambique shares in the benefits of the Moma Mine. The Company maintains a proactive dialogue with national, district and provincial government so they are well-informed of the Mine's activities.

- Directs engagement with local, provincial and national government authorities regarding mining rights, environmental issues and permitting
- Provides monthly, quarterly and annual reports to the Ministry of Mineral Resources and Energy
- Provides an annual report to the Ministry for Land and Environment
- Provides a quarterly report to the District Authorities
- Provides a Portuguese summary of Kenmare's Annual Report to government departments
- Provides a Portuguese version of KMAD's Annual Report to government departments
- Publishes an annual report on Payments to Government

- Compliance with applicable laws and regulations
- Employment opportunities and labour rights
- Health and safety
- Environmental stewardship
- Licences and permitting
- Taxation and royalties

- Publication of a Portuguese version of the Company website
- Donations of medical equipment to support the regional health service
- Payments to the Government of Mozambique of $43.6 million

Shareholders and lenders

Kenmare's shareholders are the owners of the business and their continued support is critical. They provide the capital to develop and expand operations responsibly and sustainably and consequently, Kenmare needs to ensure it continues to deliver both a strong investor proposition and be able to meet its debt obligations as they fall due.

- Participates in investor conferences
- Hosts webinars and group presentations
- Organises one-on-one investor meetings and roadshows
- Hosts site visits
- Participates in interviews with the investment press
- Encourages dialogue at the Annual General Meeting
- Produces corporate materials including announcements, presentations, Company website, Annual Report and social media posts
- Undertakes surveys of investor perceptions

- Operating and financial performance
- Growth strategy
- Capital expenditure projects
- Product markets
- Environmental, social and governance (ESG) performance

- 3% increase in dividends per share in 2023
- Capital Markets Day hosted in April 2023
- Investor perception survey conducted in early 2024
- Disclosures to Carbon Disclosure Project (CDP) Climate, Water and Forest, with B scores for Climate and Water (Forest is currently not marked by CDP)

Suppliers, contractors and customers

Kenmare believes in building stable, long-term relationships based on mutually beneficial terms with suppliers, contractors, customers and financial service providers. Kenmare works in collaboration with the full value chain, assisting its partners to meet the Company's ethical, environmental and safety standards.

- Manages contractors
- Undertakes supplier sustainability due diligence audits and site visits
- Hosts supplier forums, workshops, meetings and training
- Operates an independent whistleblowing service

- Working conditions
- Labour rights
- Human rights
- Health and safety
- Security

- 100% of the 38 on-site suppliers audited
- 84% compliance by audited suppliers with Kenmare's Supplier Code of Conduct
- Six new contracts established with local suppliers

KENMARE'S BUSINESS MODEL

KEY INPUTS THAT DRIVE KENMARE'S SUCCESS

Market fundamentals

GLOBAL DEMAND
- Read about the uses for Kenmare's products on page 16

COMPETITION
- Read about the expected supply on page 34

COMMODITY PRICES
- See the positive trend in prices on page 32

Kenmare's integrated approach

RESPONSIBLE APPROACH
- Read about Kenmare's approach to sustainability on page 60

STRONG CORPORATE GOVERNANCE
- Read about Kenmare's corporate governance from page 96

STAKEHOLDER ENGAGEMENT
- Read about Kenmare's key stakeholders on page 22

Assets

EMPLOYEES
- Read about Kenmare's safe and engaged workforce on page 62

LARGE MINERAL RESOURCE
- Read about Moma's 9.0 billion tonnes of Mineral Resources on page 48

ESTABLISHED PRODUCER
- Read about Kenmare's operations on page 42

SIGNIFICANT FINANCIAL RESOURCES
- Read about Kenmare's strong financial position on page 52

RENEWABLE ENERGY SOURCE
- Over 90% of Moma's electricity comes from hydropower - see page 42

WHAT KENMARE DOES

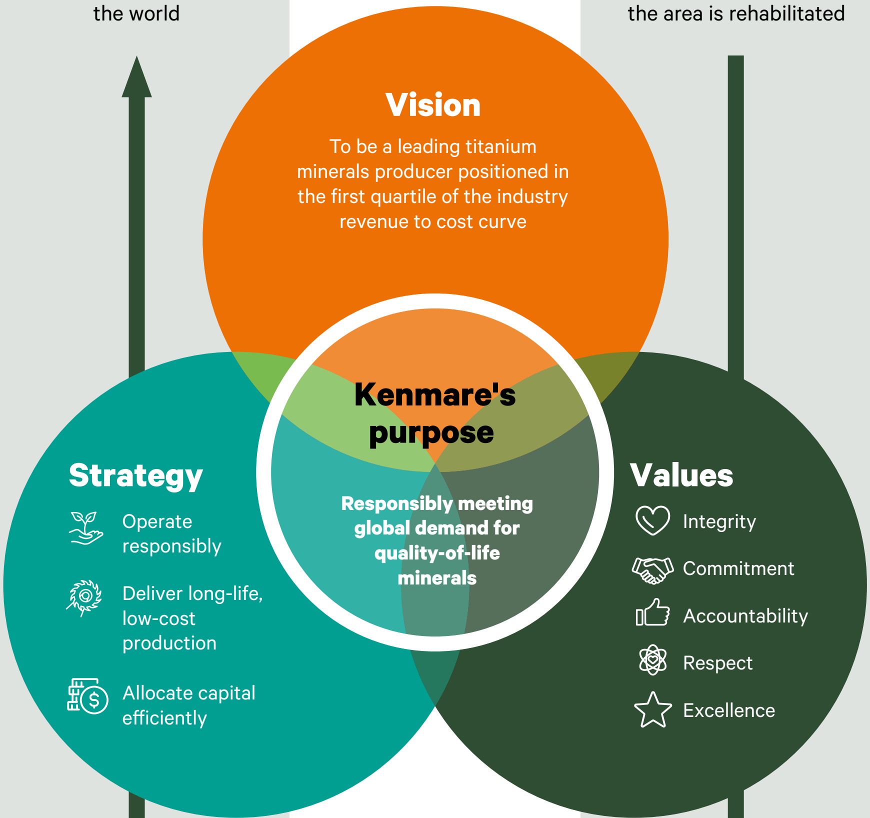
Mine planning
Mining is scheduled using Proved and Probable Ore Reserves

Mining and rehabilitation
Mineralised sands are mined by dredges before the area is rehabilitated

Concentrating
The Wet Concentrator Plants produce Heavy Mineral Concentrate (HMC)

Processing and separation
The Mineral Separation Plant processes HMC and produces ilmenite, rutile, zircon and mineral sands concentrate

Export
Finished products are exported by sea to customers around the world



Kenmare's unique value proposition centres on environmentally responsible practices, showcasing a robust track record in sustainability, innovation, and technology integration.

Read more about Kenmare's unique value proposition on pages 2 to 3

VALUE GENERATED FOR STAKEHOLDERS AND IMPACTS

Employee and unions

Kenmare's employees are its most important asset and the objective of the Company's safety culture is to provide a safe working environment. Kenmare continues to work to increase opportunities for women and Mozambicans through targeted training and leadership programmes. 16% of Kenmare's employees were female at the end of 2023, significantly above the global mining industry average of 12%, and women hold 40% of site-based senior management positions. 97% of Kenmare's employees at Moma are Mozambican and 37% are from the Moma or Larde districts near the Mine.

Government and regulators

Kenmare's production accounts for approximately 7% of Mozambique's exports. The Government of Mozambique has always upheld the terms of the Company's licences and other agreements, and Kenmare values their partnership highly. The Company was named the most transparent company in Mozambique for three consecutive years by the Centre for Public Integrity's Extractive Industry Transparency Index, most recently in 2022.

Suppliers, contractors and customers

Kenmare is the world's largest supplier of ilmenite, supplying over 25 customers operating in more than 15 countries. The Company believes its products have among the lowest carbon-intensity in the industry. This is due to half of Moma's overall energy requirements and over 90% of Moma's electrical power consumption being provided by hydroelectric power. 100% of the 38 suppliers at Moma were audited during the year and $31.6 million was spent with suppliers based in Nampula province in 2023. Kenmare also believes in building stable, long-term relationships based on mutually beneficial terms with its contractors.

Environment

Kenmare is committed to responsible environmental stewardship and efficient use of natural resources. The Company is proud of its low environmental impact, including employing progressive land rehabilitation practices. In 2023, Kenmare rehabilitated 187 ha of land, exceeding its target of 175 ha. Kenmare worked with academic partners and communities to plant 12.5 ha of agroforestry systems. Close to 151,000 indigenous trees were planted to restore biodiversity lost through the mining process and close to 53,000 casuarinas were planted, providing stability to dunes and a future wood source for communities.

Shareholders

The Board is recommending a 2023 full year dividend of USc56.04, up 3% on 2022 (USc54.31) for a total distribution of $50.0 million in respect of 2023. In addition to these shareholder returns, in September 2023 Kenmare completed a share buy-back to repurchase 5.9% of the Company's issued share capital for $30.0 million. Since 2019, Kenmare has returned over $250 million to shareholders, including the 2023 dividend.

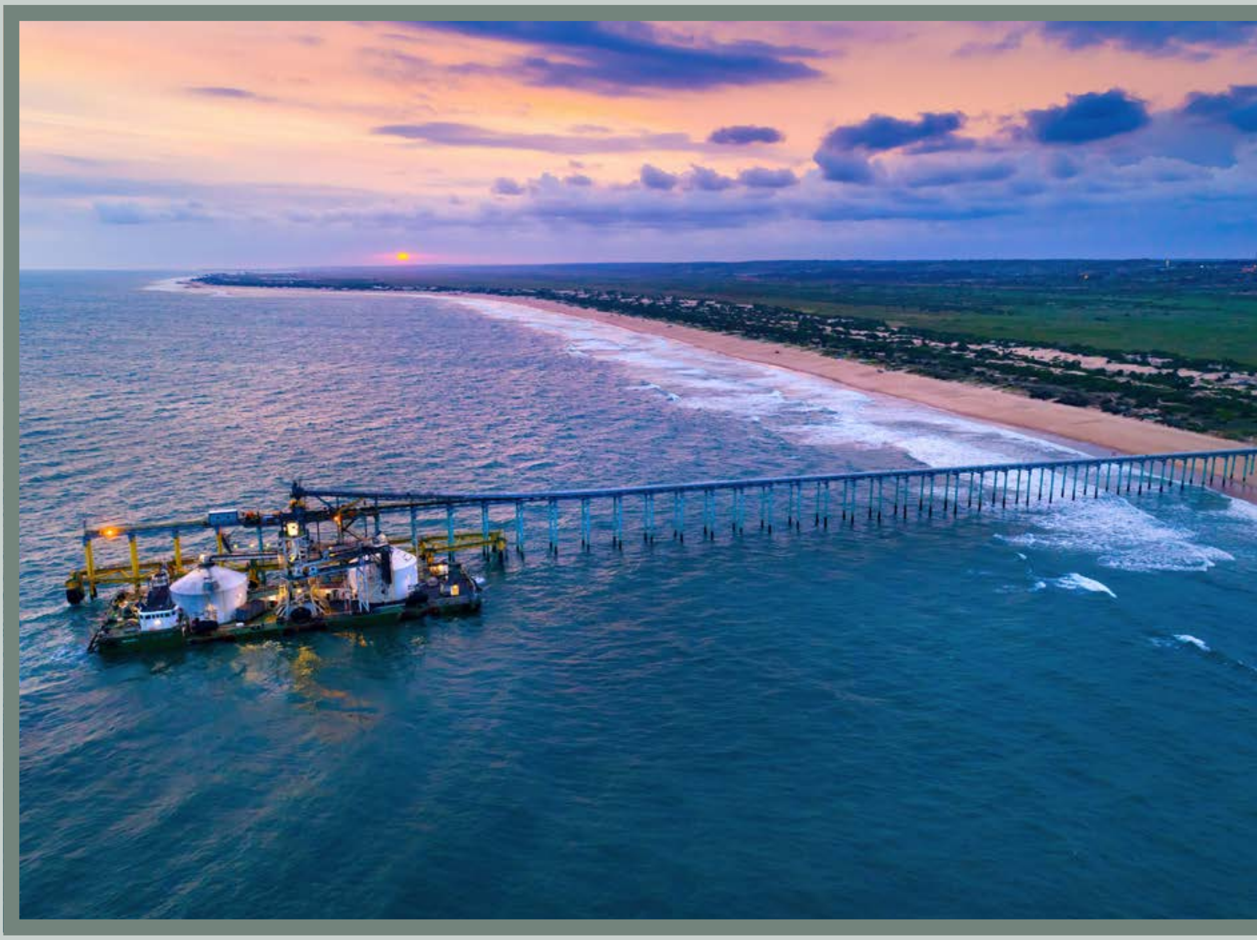
Communities

Kenmare aims to be a catalyst for positive social and economic change in the Moma Mine's host communities. In 2023, Kenmare invested $4.7 million through the Kenmare Moma Development Association (KMAD) to support the improvement of livelihoods, healthcare services, education provision and access to clean water and sanitation. In 2023, some of KMAD's initiatives included funding the installation of four new water supply systems to serve ~12,700 people, sponsoring 23 female students to complete a vocational course at the Topuito Technical College and the signing of a construction contract to build a new district hospital.

KENMARE'S STRATEGY

KENMARE'S VISION IS TO BE A LEADING TITANIUM MINERALS PRODUCER POSITIONED IN THE FIRST QUARTILE OF THE INDUSTRY.

The Company will deliver this vision through its strategy and its commitment to being a responsible corporate citizen. Kenmare's strategy is built around the following pillars 1) to operate responsibly; 2) to deliver long-life, low-cost production; and 3) to allocate capital efficiently.



KPI key

- Lost Time Injury Frequency Rate (LTIFR)
- Greenhouse Gas (GHG) emissions
- Gender diversity
- Production of finished products
- Shipments
- Cash costs
- EBITDA
- Profit after tax
- Total capital expenditure
- Net cash/(debt)
- Shareholder returns
- Return on Capital Employed

Risk key

Strategic risks | Operational risks | Financial risks

1 Permitting, licensing and Government agreement risk
2 Country risk
3 Geotechnical risk
4 Severe weather events
5 Uncertainty over physical characteristics of the orebody
6 Power supply and transmission risk
7 Asset damage or loss
8 Health, Safety and Environment (HSE)
9 Material misstatement in the Ore Reserves & Mineral Resource Table
10 IT security risk
11 Development project risk
12 Industry cyclicality
13 Customer and/or market concentration
14 Foreign currency risk
15 Aggressive cost inflation

OPERATE RESPONSIBLY

Sustainability is central to Kenmare's business. The Company has a proven commitment to being a trusted corporate citizen during its more than 30-year history and it aims to continually improve its environmental, social, and governance performance. Kenmare's sustainability strategy, comprised of four strategic priorities, ensures it maximises value and creates opportunities from the Moma Mine for the benefit of all stakeholders.

Strategic priorities

Kenmare is focused on:

- Developing a safe and engaged workforce
- Supporting thriving communities
- Protecting a healthy natural environment
- Being a trusted business

Performance in 2023

Kenmare achieved an important safety milestone in December 2023, with two million hours worked without a Lost Time Injury (LTI) and zero LTIs in Q4. Three million hours without an LTI was achieved in late February 2024. Highlights of the year for the Kenmare Moma Development Association (KMAD), included a further three water supply systems constructed or repaired, taking the total number of wells drilled by KMAD to over 30 since 2004. KMAD also built a third community health centre and a contract was signed for the construction of a new district hospital. Kenmare maintained its B score for the Carbon Disclosure Project (CDP) climate questionnaire and achieved a B score for the water questionnaire, which the Company completed for the first time in 2023. Meanwhile, an audit of targeted suppliers to the Moma Mine achieved 84% compliance with Kenmare's supplier Code of Conduct, compared to 79% in 2022.

Outlook for 2024

Kenmare intends to build on the strong safety performance achieved in the final months of 2023 and to continue to provide opportunities for the development of its workforce in 2024. KMAD will begin construction of the new district hospital as well as the electrification of five villages around Pilivili. Work will continue on the Company's Biodiversity Offset Management Plan to deliver 15% Net Gain in biodiversity and on increasing the level of sustainability due diligence in its supply chain, looking beyond policy commitments to evidence of strategies, action plans and performance management. Kenmare continues to raise the standards it holds itself to and further details of its sustainability targets for 2024 and beyond can be found on page 58 and in the Sustainability Report.

51%
Reduction in employee malaria cases

Case study

Malaria reduction programme

The Moma Mine is situated in a malaria endemic region in Mozambique, with malaria accounting for almost 30% of all deaths in the country. In 2023, the Company achieved a 51% reduction in employee malaria cases compared to 2022. This was the result of comprehensive prevention and control measures, including on-going educational campaigns, regular distribution of malaria prevention tools to employees, and indoor and outdoor insecticide spraying. In 2023, Kenmare also continued its partnership with a Mozambican Government medical research institute on its Vector Control programme.

Links to KPIs

Link to risks

1 2 4 6 7 8 10 12 13

KENMARE'S STRATEGY CONTINUED

DELIVER LONG-LIFE, LOW-COST PRODUCTION

Kenmare is the world's largest supplier of ilmenite and the Moma Mine is one of the largest titanium minerals deposits in the world. The Company has a first quartile position on the industry revenue to cost curve, allowing it to generate strong cash flow at all stages of the commodity price cycle. With over 100 years of Mineral Resources at the current production rate, Kenmare has significant potential for growth when market conditions are right.

Strategic priorities

Kenmare is focused on:

- Unlocking the value of Moma's 9.0 billion tonnes of Mineral Resources, through the transition of WCP A to the Nataka ore zone in late 2025
- Delivering consistent ilmenite production, with 20+ years' mine life visibility
- Maintaining a first quartile position on the industry revenue to cost curve

Performance in 2023

HMC production in 2023 was 1,448,300 tonnes, a 9% decrease compared to 2022 (1,586,200 tonnes). Mining was impacted by an unusually severe lightning strike in February 2023 and power interruptions throughout the year, leading to a 4% decrease in excavated ore tonnes. Ore grades also fell by 5% due to WCP B mining a lower grade wetland area and WCP A mining lower grades as it approaches the end of its mine path in Namalope. Total cash operating costs of $228.1 million were up 4% on 2022 ($218.7 million), due to increased heavy mobile equipment rental, higher fuel costs, and costs associated with the severe lightning strike in Q1 2023.

Outlook for 2024

Preparations for the transition of WCP A to Nataka are expected to advance significantly in 2024. The total capital cost of the project to the end of 2027 is anticipated to be $326-341 million, including up to $179 million to be incurred in 2024. Production in 2024 is anticipated to be in line with 2023 and Kenmare is focused on maintaining its position as a first quartile producer on the industry revenue to cost curve.

20+ years
Mine life visibility in Nataka ore zone

Case study

Transition to Nataka

In 2023 the Board approved the Definitive Feasibility Study (DFS) for the transition of WCP A to the Nataka ore zone. WCP A will complete its current mine path in Namalope in late 2025 and commence its move to Nataka. Project execution for the Nataka transition began in 2023, with contracts signed for key long lead-time items, such as two new high-capacity dredges. The transition to Nataka will unlock the majority of Moma's Mineral Resources and secure production for decades to come.

Links to KPIs

Link to risks

2 3 4 5 7 8 9 11 15

ALLOCATE CAPITAL EFFICIENTLY

Kenmare continuously assesses the best ways to deploy the capital generated from its activities to ensure it creates value for all stakeholders. A strong balance sheet provides the platform to fund the Company's capital requirements, while a dividend policy was established in 2018 to provide returns to shareholders. Kenmare also works hard to uncover, assess and develop value accretive projects to deliver growth.

Strategic priorities

Kenmare is focused on:

- Maintaining a strong and flexible balance sheet
- Continuing to make robust shareholder returns
- Developing value accretive growth opportunities

Performance in 2023

Kenmare finished 2023 with a strong balance sheet and net cash of $20.7 million. Total dividends are in line with 2022 at $50.0 million and dividends per share are up 3%, benefitting from the reduced share count following the share buy-back. This is in line with Kenmare's dividend policy payout ratio of 20%-40% of underlying profit after tax, while also taking into account the Company's operating performance and product market conditions.

Outlook

The Company continues to be focused on making shareholder returns, balanced with the necessary investment in the long-term future of the business. WCP A is expected to transition to the Nataka ore zone from late 2025 and the capital invested in this project will support future production from Moma. In addition, Kenmare's corporate development team continues to assess potential opportunities for organic and inorganic growth.

$50.0m

2023 dividend distribution

Case study

Share buy-back

Kenmare continually reviews its capital allocation in order to maximise long-term returns to shareholders. The Company seeks to return value through a combination of capital appreciation, dividend payments and share buy-backs. In September 2023, Kenmare completed a $30 million share buy-back, repurchasing approximately 5.6 million shares, representing 5.9% of the Company's issued share capital. The share buy-back was funded from existing cash resources and supported by the Company's operational performance and strong financial position.

Links to KPIs

Link to risks

5 6 7 8 10 11 14 15

MARKET REPORT

“CUSTOMERS CONTINUED TO FAVOUR KENMARE’S HIGH-QUALITY PRODUCTS AND STABILITY OF SUPPLY, SUPPORTING SALES THROUGHOUT 2023.”

Cillian Murphy
MARKETING MANAGER

Summary of the marketplace

2023 was a relatively robust year in Kenmare’s product markets. Positive momentum carried over from 2022 into H1 2023, however weaker downstream demand negatively impacted sales volumes and prices in H2. This resulted in a 10% decrease in average received prices in 2023 to $418 per tonne compared to 2022 ($463 per tonne) and a 3% decrease in shipments in 2023 to 1,045,200 tonnes compared to 2022 (1,075,600 tonnes). Nevertheless, customers continued to favour Kenmare’s high-quality products and stability of supply, which supported sales of the Company’s products throughout 2023 and this is expected to continue in 2024.

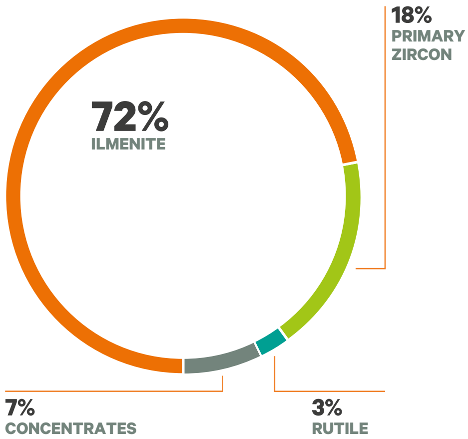
The macroeconomic environment

2023 was a year of macro-economic uncertainty, with concerns about slowing global growth compounded by geopolitical conflicts. Inflation remained a significant issue early in the year, leading to tighter monetary policies from central banks, which aimed to dampen demand and investment through interest rate hikes.

The Chinese market, meanwhile, was impacted by a property market slowdown, in addition to the lingering effect of COVID-19 restrictions. The weaker real estate market cast a shadow on the country’s construction sector, which is a significant consumer of titanium and zircon products. The Chinese Government responded with increased investment and special purpose bonds to support infrastructure projects and cushion the construction sector slowdown.

Macro-economic uncertainty resulted in low confidence in the titanium pigment and feedstocks markets in 2023, with low inventories held throughout the supply chain. However, reduced inflation in H2 2023 drove expectations that interest rates will decrease in 2024, with the US Federal Reserve indicating that it anticipates dropping rates at least twice before year-end. This would support increased economic activity and underlying demand for Kenmare’s products in 2024, as well as providing confidence to the market to build inventories to more normal levels.

2023 REVENUE BY PRODUCT



Kenmare's products

TITANIUM FEEDSTOCKS

Kenmare supplies approximately 7% of global titanium feedstocks through its ilmenite, rutile and concentrate products. Titanium feedstocks are a quality-of-life mineral, with consumption increasing as urban populations grow and disposable income rises. Titanium minerals have been listed as a critical mineral by the EU and US as they are consumed to produce titanium pigment (accounting for approximately 88% of demand), titanium metal, and are also used in the welding market. Titanium pigment is used for its opacity and brightness and currently has no substitutes of comparable quality. Titanium metal is consumed due to its high strength-to-weight ratio and this market saw strong growth in 2023.

ZIRCON

Kenmare supplies four products containing zircon and is the fifth largest supplier of zircon globally. The ceramics industry accounts for approximately 48% of global zircon demand, where it is the preferred raw material due to its unmatched opacifying qualities, high refractive index, and high melting point. Zircon is also used in the refractory and foundry industries and zirconia chemicals. Like titanium minerals, zirconium is listed as a critical mineral in the EU and the US. Historically, the major markets for zircon have been Europe and China, but Kenmare is seeing increasing demand growth in the Indian and Latin American markets.

RARE EARTHS ELEMENTS (REEs)

Kenmare supplies REEs through a concentrate product containing monazite. REEs contained in Kenmare's monazite, such as neodymium and dysprosium, are listed as critical minerals and are consumed in permanent magnets crucial to fast-growing markets such as electric vehicles and wind turbines. Demand for REEs is expected to grow strongly in the coming years due to the energy transition.

Kenmare's markets in 2023

TITANIUM FEEDSTOCKS

The titanium feedstock market experienced a decline in demand in 2023, mainly due to weakened demand from the paint and coatings industry. This was caused by various factors, including the slowdown in the Chinese property market, on-going geopolitical tensions, and inflationary pressures that reduced consumer spending, particularly impacting the DIY sector. Paint and coatings producers began destocking their inventories during H2 2022, and this continued throughout 2023. Consequently, the pigment market remained subdued throughout most of the year.

However, a significant development in the market was the increased production and market share captured by Chinese pigment producers. Chinese producers ramped up production of both sulphate and chloride pigment, hitting record highs, and successfully increasing their global exports. Kenmare's high-quality ilmenite is suitable for both processes, but Kenmare has chosen to prioritise the chloride market due to its rapid growth and its preference for Kenmare's low magnesium and calcium ilmenite.

Large Western pigment producers chose to reduce their operating rates instead of competing on price with cheaper Chinese products in 2023. This strategy reflected their focus on value stabilisation over market share and demonstrated confidence in a near-term demand recovery. Western pigment producers reduced their inventories of both pigment and feedstock throughout 2023, and as a result, inventories were below normal at the start of the year. Kenmare saw some restocking from its customers in Q1 2024.

The market for ilmenite proved to be more resilient than for other titanium feedstocks in 2023. This was primarily due to demand from Chinese pigment producers, who favour using ilmenite instead of high-grade feedstocks. However, despite their relative resilience, ilmenite prices declined compared to 2022, reflecting the overall market softness. Producers of high-grade feedstocks like rutile reduced production, and this is expected to continue in 2024, benefitting Kenmare.

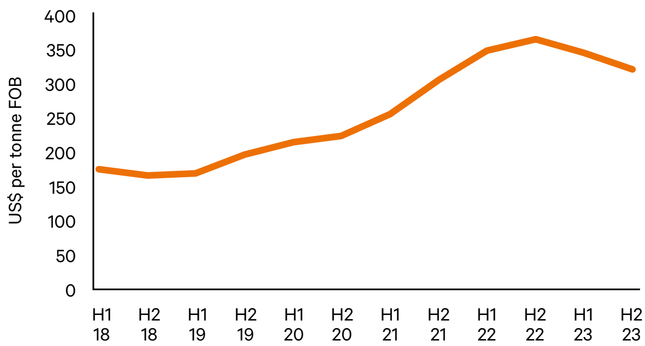
Contrary to the titanium pigment market, the titanium metal market grew in 2023 with strong aerospace, welding and consumer end markets. Chinese production of titanium metal increased by 24% in 2023 compared to 2022, according to industry consultant Toodudu. Kenmare's ilmenite is upgraded and used in the production of titanium metal globally.

There is a cautious sense of optimism in the titanium feedstocks market in 2024. The expansion of Chinese pigment production and the increasing demand for titanium metal are positive indicators for a stronger market and the anticipated reduction in interest rates in major economies would support underlying demand and a healthier feedstock market.

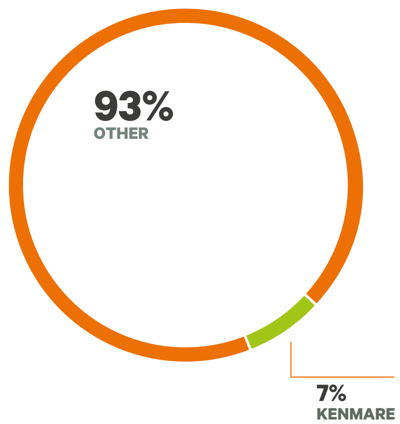
Read more about Chinese market share on page 34

MARKET REPORT CONTINUED

KENMARE AVERAGE ILMENITE PRICE RECEIVED



TITANIUM FEEDSTOCKS MARKET SHARE



Zircon

The zircon market weakened in 2023 due to lower downstream demand, particularly in Europe and China.

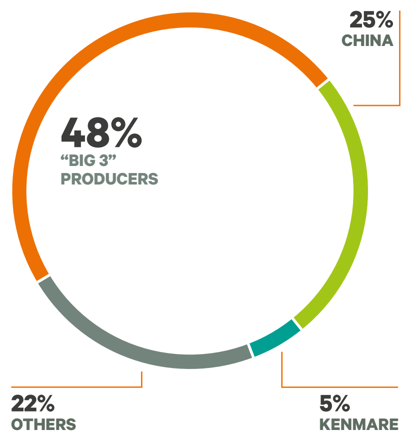
In China, the largest market for zircon, demand was impacted by a weaker real estate market. The Chinese government implemented stimulus measures in H2 2023, however, these had not flowed through to zircon demand by year-end. In Europe, challenging macro-economic conditions resulted in weaker demand for ceramic products. High inflation and increasing interest rates in 2023 led to a slowdown in consumer spending and construction activity, which resulted in lower production and consumption of ceramic products, such as tiles and sanitaryware.

The Indian market was the bright point of the zircon market in 2023, with growth in underlying demand as well as increased exports of zircon opacifier. This led to a strong growth in imports of zircon sand into India. Demand in North America also remained resilient.

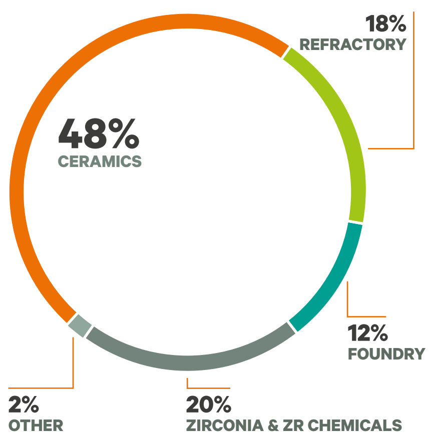
The supply dynamics for zircon sand showed significant change in 2023. Supply from traditional major producers was rationalised to meet reduced demand. However, non-traditional sources compensated for this shortfall in the form of heavy mineral concentrates and swing supply from countries such as Indonesia. Prices from these non-traditional sources decreased in H1 2023 and a wide price gap emerged, forcing all zircon prices down in H2. However, spot prices stabilised towards the end of 2023 providing some support for 2024.

Despite the challenging market conditions, Kenmare was sold out of all zircon products by the end of 2023 due to strong support from its customers and market preference for Kenmare's high-quality products. Cautious buying from consumers has resulted in generally low inventories in the supply chain and therefore, Kenmare is currently seeing robust demand for all of its zircon products in 2024.

ZIRCON MARKET SHARE



ZIRCON DEMAND BY END USE



Rare Earth Elements

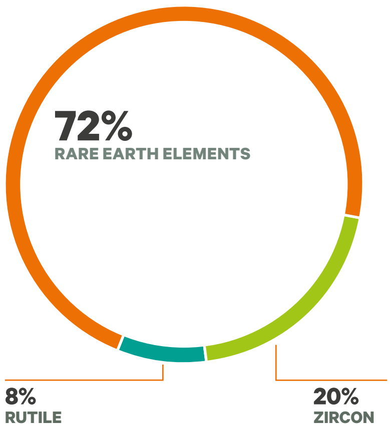
While revenues were slightly lower than the record 2022 figure, 2023 was another positive year for Kenmare's monazite-based, mineral sands concentrate product. Demand for monazite continues to exhibit strong growth due to the contained REEs. REEs are listed as a critical mineral and are essential to the energy transition. As a result, the long-term dynamics for monazite remain encouraging.

In 2023, underlying demand for permanent magnets, the major consumer of neodymium and praseodymium, was positive due to increased consumption of electric vehicles and investment in other clean technologies. This boosted demand for monazite and consequently, Kenmare sold all of the mineral sands concentrate it produced in 2023.

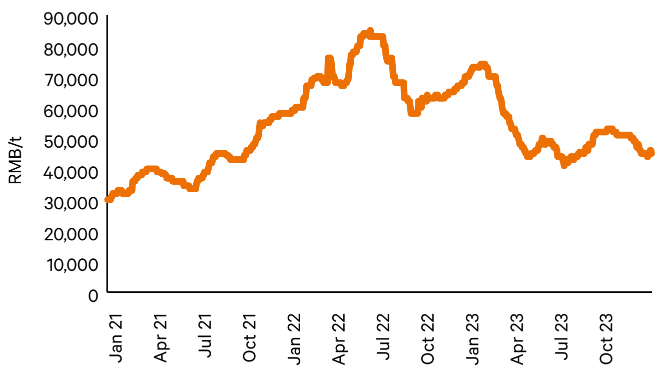
Prices for monazite were volatile through 2023. At the start of the year, the monazite price was high due to robust demand. However, a subdued Chinese economy, as well as increased supply of monazite from concentrate sources in Africa reversed this momentum. Heavy Mineral Concentrate production increased in 2023, from sources such as Chinese producers in Mozambique, and brought with it higher volumes of monazite. This concentrate is sold to China and reprocessed into finished monazite product. It has a strong impact on the spot price for monazite and the high volumes of monazite available from reprocessors in China added to the downward pressure on prices from mid-2023.

Prices for monazite recovered in late 2023 due to stronger demand and this positive momentum continues into 2024. The outlook for Kenmare's mineral sands concentrate is positive for 2024 and the Company continues to experience demand in excess of its production.

MINERAL SANDS CONCENTRATE REVENUE SPLIT



MONAZITE PRICE



KEY TRENDS IN KENMARE'S MARKET

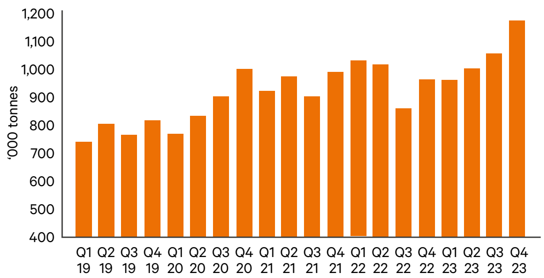
1. Market share by Chinese pigment producers

Approximately 88% of titanium feedstocks are consumed in the titanium pigment market. In recent years, capacity growth in the pigment market has been centred around China. Chinese pigment producers favour a proportionally heavy ilmenite feedstock blend, fuelling demand for merchant ilmenite, like Kenmare's ilmenite products.

Despite softer demand for pigment in late 2022 and 2023, China's pigment producers ramped up production of pigment, increasing 8% in 2023 compared to 2022. Lower capital and operating costs allowed Chinese producers to undercut Western producers and they competed aggressively on price. Pigment producers in North America were committed to their value stabilisation strategies, which prioritised price stability over volumes. This resulted in a large price gap between Chinese and Western producers, further increasing China's global market share. Chinese pigment market share increased from 48% in 2021 to approximately 57% in 2023.

The titanium pigment market is experiencing a significant shift in China. Driven primarily by environmental regulations, China has been transitioning from the traditional sulphate process to the more environmentally friendly chloride process. The proportion of chloride pigment production grew from 10% in 2021 to 15% in 2023. China's domestic ilmenite is not suitable for the chloride process, creating a surge in demand for Kenmare's ilmenite.

CHINESE PIGMENT PRODUCTION



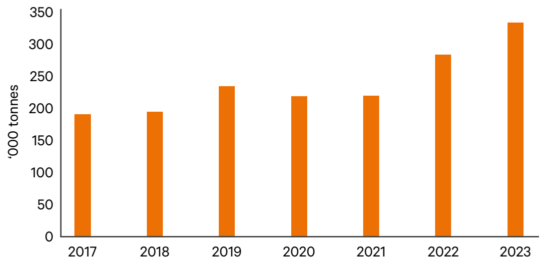
2. Growth in titanium metal consumption

Titanium is a metal that is highly valued for its exceptional strength-to-weight ratio and resistance to corrosion. It is used in various industries, such as aerospace, consumer electronics, jewellery, and sporting goods. Titanium metal production is the largest growth segment for titanium feedstocks, with global production increasing by 52% from 2021 to 2023.

Titanium metal is increasingly used by the aerospace industry to create lightweight aircrafts and improve fuel efficiency. Additionally, titanium is used in the manufacture of consumer electronics, with leading manufacturers such as Apple and Samsung incorporating titanium into their products.

Currently, Kenmare supplies the titanium metal market indirectly through its sales to ilmenite beneficiation plants. However, Kenmare is actively looking to increase its sales to the titanium metal market and seeking closer ties with the major producers.

GLOBAL METAL PRODUCTION

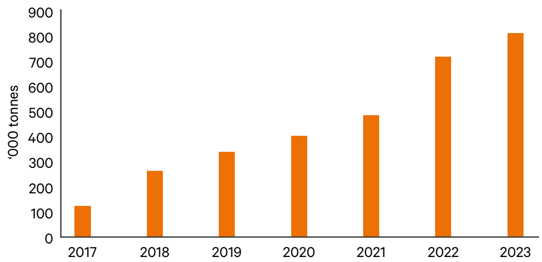


3. Unprocessed concentrates growing in market share

The titanium feedstock market is experiencing a shift towards concentrate mining, where raw materials are extracted without separation or processing. These heavy mineral concentrates are exported to China, which has excess processing capacity. This trend is driven by the lower costs associated with building and operating processing plants in China.

Concentrate imports into China have grown considerably in recent years, increasing by approximately 30% from 2022 to 2023. These concentrate mines operate in many countries such as Nigeria, Sierra Leone and the US but are centred in Mozambique, which accounts for approximately 70% of the supply. Ilmenite products produced from concentrates tend to be lower quality but still compete in the Chinese pigment market. In countries where these concentrates are produced, governments are keen to increase the value added in country, which is presenting a challenge for these concentrates producers.

CONCENTRATE IMPORTS INTO CHINA



52%
Growth in titanium metal consumption since 2021

Medium to long-term growth opportunities

1. DETERIORATING ILMENITE PRODUCT QUALITY IN THE MERCHANT MARKET

- Reduced supply of high-quality ilmenite and increased supply of lower quality ilmenite is impacting the market
- Kenmare's ilmenite products are favoured due to high quality and stability of supply
- This further strengthens Kenmare's ability to place products into the strongest market segments, benefitting ilmenite sales volumes and prices

2. GROWTH IN USE OF TITANIUM METAL

- Increasing global focus on sustainability is driving investments into materials that reduce consumption of fossil fuels
- Titanium metal emerges as a key player due to its exceptional strength-to-weight ratio (43% lighter than steel)
- Leading manufacturers are increasingly incorporating titanium into aircraft frames, which reduces fuel consumption as titanium is lighter than steel, and this trend is expected to continue
- Applications for titanium extend beyond aviation, potentially revolutionising other transportation sectors
- Kenmare's ilmenite is used to produce chloride slag and synthetic rutile, which are vital feed sources in titanium metal production

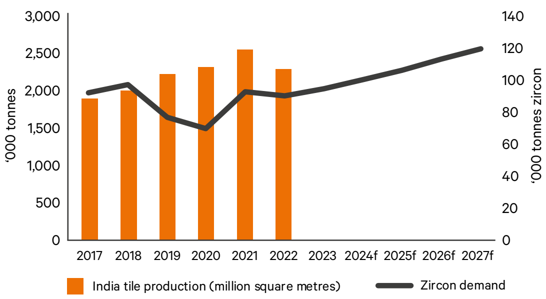
4. India's growing influence on the zircon market

Europe and China have historically been the two largest markets for zircon products. However, India is becoming a major region for zircon demand and also supply.

Of all major zircon consuming regions, India showed the strongest demand growth for zircon products in 2023. The construction and real estate sectors are crucial to India's strong economic growth and supported demand growth across a range of zircon products, such as ceramic tiles, which are used in several rooms throughout the home. While only small quantities of zircon are mined in India, there has been a large increase in zircon milling capacity in country. This has led to an increasing trend of zircon sand being imported into India and opacifier being exported at relatively low prices, resulting in increased competition in the global market.

Kenmare is exploring options to increase the quantities of its zircon consumed in India through its mineral sands concentrate product.

ZIRCON DEMAND AND TILE PRODUCTION IN INDIA



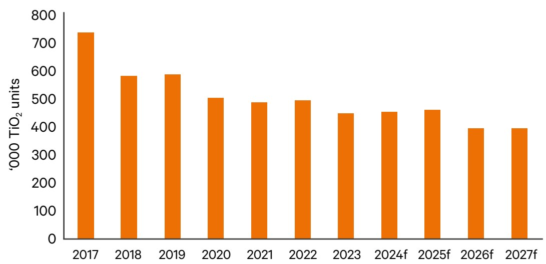
5. Natural rutile supply continues to deplete

Natural rutile supply has been on a downward trend for several years due to a lack of economically feasible new projects and this trend continued in 2023.

The two largest rutile suppliers, Base Resources and Sierra Rutile, both produced lower quantities in 2023. Base Resources announced that it will stop production at the end of 2024, as the Kwale orebody reaches the end of its mine life, while Sierra Rutile announced it would complete production in March 2024 due to a dispute with the Sierra Leone government about fiscal terms.

Kenmare will likely continue to benefit from reduced rutile supply as the replacement for rutile is beneficiated ilmenite. All of Kenmare's ilmenite products are preferred products for beneficiation due to their low impurities and this is a market share that Kenmare has grown in recent years. In addition, Kenmare supplies rutile to the merchant market and the Company will benefit from the reduced global supply.

TOTAL RUTILE SUPPLY



KEY PERFORMANCE INDICATORS

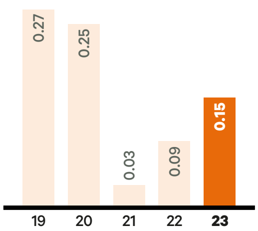
KENMARE USES VARIOUS FINANCIAL AND NON-FINANCIAL PERFORMANCE MEASURES TO HELP EVALUATE THE ON-GOING PERFORMANCE OF ITS BUSINESS.

Linked to the Group's strategic objectives, the following measures are considered by management to be some of the most important in evaluating Kenmare's overall performance year-on-year.

Strategic

LTIFR

0.15
(per 200k hours)



DESCRIPTION

Measures the number of injuries per 200,000 hours worked at the Mine, which results in time lost from work.

PERFORMANCE

There was a 25% increase in the Lost Time Injury Frequency Rate (LTIFR) in 2023 compared to the three-year rolling average. Action was taken to reverse the trend including delivery of leadership accountability programmes to strengthen the safety culture at Moma; improvements made to the "permit to work" programme, hazard identification and risk assessment protocols; and the introduction of a "Trabalho Seguro" ("Safe Work") initiative promoting increased safety awareness. This led to zero Lost Time Injuries in Q4 2023 and the milestone of two million hours worked without a Lost Time Injury (LTI) achieved in December 2023.

OUTLOOK

Kenmare is committed to continual improvement. In 2024, the Group will reinforce its safety culture through strong safety leadership, as well as continuing to improve its hazard identification and risk assessment practices. In late February 2024, Kenmare was pleased to pass three million hours worked without a LTI.

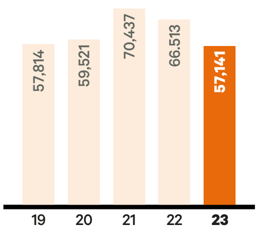
LINK TO STRATEGY

LINK TO RISK

8

GHG emissions

57,141
tonnes CO_2e



DESCRIPTION

Measures total Scope 1 and 2 Greenhouse Gas (GHG) emissions. Kenmare acknowledges the human contribution to climate change and aims to reduce emissions from its already low carbon intensity operations.

PERFORMANCE

Kenmare achieved a 14% emissions reduction in Scope 1 GHG emissions in 2023, largely as a result of the Rotary Uninterruptible Power Supply and improved efficiencies in the Mineral Separation Plant (MSP). Kenmare aims to sustain these reductions as much as possible and achieve its 12% reduction target by 2024, relative to the 2021 baseline. Diesel emissions are forecast to increase in 2024, but Kenmare is working to offset these with energy efficiency projects.

OUTLOOK

Kenmare has an ambition to achieve Net Zero on its Scope 1 and 2 emissions by 2040, through decarbonisation of its operations. Kenmare has been working on its Climate Transition Plan in 2023 to determine its 2030 target, which will be published in 2024.

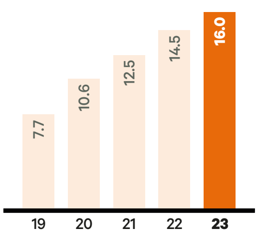
LINK TO STRATEGY

LINK TO RISK

4 6

Gender diversity

16%



DESCRIPTION

Measures the percentage of female employees at the Moma Mine. Kenmare recognise the benefits to its business of supporting diversity, equity, and inclusion for long-term sustainable success.

PERFORMANCE

Kenmare is working to increase the number of women in its workforce. At year-end, 16% of Mine employees were women, compared with 14.5% in 2022, meeting its stretch gender diversity target for the year. Female representation in Moma Mine senior management reached 40% in 2023, compared to 25% in 2022.

OUTLOOK

In 2024 Kenmare aims to increase female representation within its Moma workforce to 17.5%. The Group will progress its structured programme to increase diversity, including initiatives such as its target of 90% of Technical Development Department training candidates to be women. Kenmare is targeting 20% female employees by the end of 2025.

LINK TO STRATEGY

LINK TO RISK

N/A

LINKS TO STRATEGY

Operate responsibly · Deliver long-life, low-cost production · Allocate capital efficiently

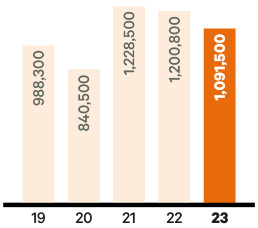
RISK KEY Strategic risks · Operational risks · Financial risks

1. Permitting, licensing and Government agreement risk
2. Country risk
3. Geotechnical risk
4. Severe weather events
5. Uncertainty over physical characteristics of the orebody
6. Loss of production due to power supply and transmission interruption
7. Asset damage or loss
8. Health, Safety and Environment
9. Material misstatement in the Ore Reserves & Mineral Resource Table
10. IT security risk
11. Development project risk
12. Industry cyclicality
13. Customer and/or market concentration
14. Foreign currency risk
15. Aggressive cost inflation

Operational

Production of finished products

1,091,500 tonnes



DESCRIPTION

Provides a measure of production from the Mine and is defined as finished products produced by the mineral separation process (in tonnes).

PERFORMANCE

Finished product production was down 9% in line with lower Heavy Mineral Concentrate (HMC) production in 2023, which was 1,448,300 tonnes, compared to 2022 (1,586,200 tonnes). This 9% annual reduction was a product of a 4% decrease in excavated ore volumes to 38,549,000 tonnes (2022: 40,029,000 tonnes) and a 5% decrease in ore grades to 4.38% (2022: 4.61%). Ore volumes were impacted primarily by the effects of a severe lightning strike in Q1 and power supply interruptions, which affected operations throughout the year. Ore grades were down principally due to Wet Concentrator Plant (WCP) B mining in wetlands, where grades were lower than expected, and WCP A mining lower grade ore as it approaches the end of its mine path in Namalope.

OUTLOOK

In 2024 HMC production, and consequently production of finished products, is expected to be in line with 2023. While excavated ore volumes are expected to increase relative to 2023, this will be offset by lower grades as WCP B returns to mine the wetland areas and WCP A continues to approach the end of its mine path in Namalope.

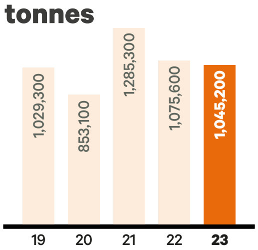
LINK TO STRATEGY

LINK TO RISK

1 2 3 4 5 6 7 9 10

Shipments

1,045,200 tonnes



DESCRIPTION

Provides a measure of finished product volumes shipped to customers during the period (in tonnes).

PERFORMANCE

Shipment volumes in 2023 were 1,045,200 tonnes, a 3% decrease compared to 2022, due to more cautious buying from customers during a period of weaker demand, compounded by destocking. Despite poor weather conditions, Q4 was the strongest quarter of the year for shipments, although some shipments were deferred to 2024.

OUTLOOK

Shipment volumes are expected to increase in 2024, supported by higher year-end finished product inventories of 259,100 tonnes (2022: 213,500 tonnes).

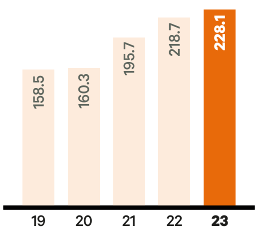
LINK TO STRATEGY

LINK TO RISK

4 5 6 7 12 13

Cash costs

$228.1m



DESCRIPTION

Eliminates freights costs and non-cash 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 finished product produced over time.

PERFORMANCE

Total cash operating costs increased by 4% in 2023, compared to 2022. This was as a result of increased operating costs, mainly due to increased heavy mobile equipment rental and higher fuel costs. The per tonne cost increased by 15%, impacted by the 9% reduction in production of finished products.

OUTLOOK

Total cash operating costs are anticipated to increase in 2024 due to increased heavy mobile rental requirements and increased power costs driven by increased power usage. Cash operating costs per tonne are expected to increase slightly as production remains in line with 2023.

LINK TO STRATEGY

LINK TO RISK

1 2 14 15

KEY PERFORMANCE INDICATORS CONTINUED

Read more about Strategy on page 26

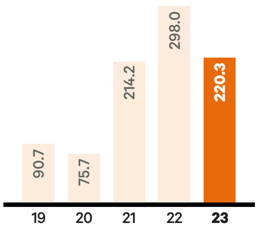
Read more about Risks on page 76

Read more about Remuneration on page 124

FINANCIAL

EBITDA

$220.3m



DESCRIPTION

Eliminates the effects of financing, tax and depreciation to allow assessment of the earnings and performance of the Group.

PERFORMANCE

Kenmare generated the second strongest EBITDA in its history in 2023. However it decreased by 26% compared to 2022, which was a record year. This was driven by mineral product revenue decreasing by 12%, as a result of a 10% decrease in average price received and a 3% decrease in shipment volumes, and total cash operating costs increasing by 4%.

OUTLOOK

Kenmare expects to generate robust EBITDA in 2024 based on production guidance and anticipated product pricing.

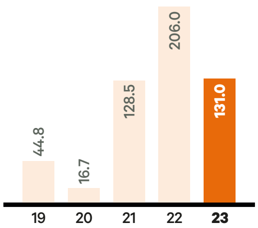
LINK TO STRATEGY

LINK TO RISK

1 2 3 4 5 6 7
9 10 12 13 14 15

Profit after tax

$131.0m



DESCRIPTION

Measures how well Kenmare is managing costs, increasing productivity and generating the most profit from its assets. It is also the basis on which the Group's dividend payout ratio policy is applied.

PERFORMANCE

Similarly to EBITDA, profit after tax in 2023 was the second strongest in Kenmare's history at $131.0 million. However it was down 36% on 2022, which was a record year, as a result of lower revenues and slightly higher operating costs in the financial year.

OUTLOOK

Kenmare anticipates to generate robust profit after tax in 2024. The Group believes the fundamentals for future earnings remain strong, due primarily to medium- and long-term supply constraints within the titanium feedstocks industry supporting a strong commodity market outlook.

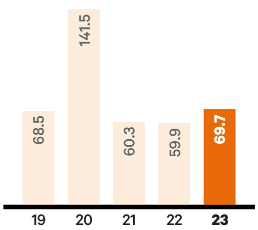
LINK TO STRATEGY

LINK TO RISK

1 2 3 4 5 6 7
9 10 12 13 14 15

Total capital expenditure

$69.7m



DESCRIPTION

Provides the amount spent by the Group on additions to property, plant and equipment in the period.

PERFORMANCE

Capital expenditure increased by 16% in the year. $22.8 million related to development capital and $18.2 million related to studies for the transition of WCP A to the Nataka ore zone in 2025. $28.7 million related to sustaining capital on operations.

OUTLOOK

Expenditure on development projects and studies is expected to be approximately $189 million in 2024. These costs primarily relate to the transition of WCP A to Nataka and Feasibility Studies for the upgrade works to WCP B.

Improvement projects are expected to cost $6 million in 2024 and relate primarily to upgrades to the MSP.

Sustaining capital costs in 2024 are expected to be approximately $29 million.

LINK TO STRATEGY

LINK TO RISK

4 5 7 11 12 14 15

LINKS TO STRATEGY

Operate responsibly | Deliver long-life, low-cost production | Allocate capital efficiently

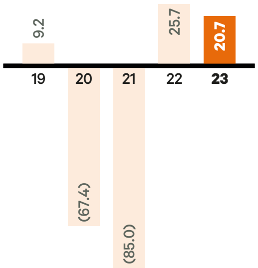
RISK KEY Strategic risks | Operational risks | Financial risks

1 Permitting, licensing and Government agreement risk
2 Country risk
3 Geotechnical risk
4 Severe weather events
5 Uncertainty over physical characteristics of the orebody
6 Loss of production due to power supply and transmission interruption
7 Asset damage or loss
8 Health, Safety and Environment
9 Material misstatement in the Ore Reserves & Mineral Resource Table
10 IT security risk
11 Development project risk
12 Industry cyclicality
13 Customer and/or market concentration
14 Foreign currency risk
15 Aggressive cost inflation

FINANCIAL

Net cash/(debt)

$20.7m



DESCRIPTION

Total cash and cash equivalents less bank loans and lease liabilities: a measure of the Group's financial leverage and an indication of how Kenmare is managing its balance sheet and capital structure.

PERFORMANCE

Kenmare finished the year with net cash of $20.7 million (2022: $25.7 million). This comprised $71.0 million (2022: $108.3 million) of cash and cash equivalents and gross debt of $48.8 million (2022: $80.8 million), which consists of debt outstanding of $47.1 million and loan interest of $1.7 million. Lease liabilities amounted to $1.5 million (2022: $1.8 million).

OUTLOOK

On 4 March 2024, the Group entered into a $200 million Revolving Credit Facility (RCF) with its existing lender group. The interest rate is 4.85% plus SOFR with a term of five years. The RCF replaces the existing corporate debt facilities and will be used to fund the Group's capital requirements over the next few years, in particular the transition of WCP A to Nataka.

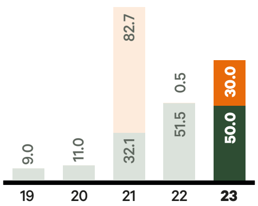
LINK TO STRATEGY

LINK TO RISK

6 7 11 14 15

Shareholder returns

$80.0m



DESCRIPTION

Shareholder returns comprise dividends and share buy-backs.

PERFORMANCE

Shareholder returns in respect of 2023 were $80.0 million. This comprised an interim dividend of $15.6 million and a final dividend of $34.4 million, totalling $50.0 million, and a share buy-back of $30.0 million. The 2023 final dividend is to be approved by shareholders at the AGM.

OUTLOOK

Kenmare will maintain a target dividend payout ratio of 20%-40% of underlying profit after tax, as part of its strategic priority to allocate capital efficiently.

Additional capital returns will be considered against upcoming capital requirements (particularly the transition of WCP A to Nataka), maintaining a strong balance sheet, and market conditions.

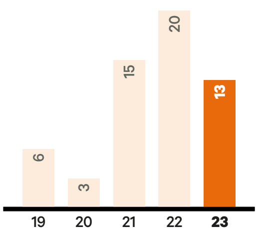
LINK TO STRATEGY

LINK TO RISK

1 2 3 4 5 6 7 10 12 13 14 15

Return on Capital Employed

13%



DESCRIPTION

Return on Capital Employed (ROCE) is defined as operating profit expressed as a percentage of the average capital employed. ROCE is a measure of the profits generated in the year in comparison to the capital investment that has been made in the Company.

PERFORMANCE

The Group continued to generate very strong returns on capital employed. However ROCE decreased by 35% in 2023 driven by lower earnings in the year.

OUTLOOK

Kenmare will continue to focus on maximising returns from the Moma Mine over the short, medium and long-term. The Group will also maintain its disciplined and rigorous approach and invest capital only in projects that Kenmare believes will deliver returns that are well above its cost of capital.

LINK TO STRATEGY

LINK TO RISK

1 2 3 4 5 6 7 10 12 13 14 15

KENMARE'S OPERATIONS

KENMARE'S MOMA TITANIUM MINERALS MINE IS LOCATED ON THE NORTH EAST COAST OF MOZAMBIQUE. IT IS ONE OF THE LARGEST TITANIUM MINERALS DEPOSITS IN THE WORLD AND BEGAN PRODUCTION IN 2007.

Moma has a low environmental impact, as Kenmare progressively rehabilitates the land as it is mined. Moma also benefits from access to low-cost, renewable electricity (from the Cahora Bassa Hydroelectric Complex), to supply over 90% of the Mine's requirements.

Kenmare utilises three Wet Concentrator Plants (WCPs) to mine the Moma deposit, two of which are in the Namalope ore zone and one in the Pilivili ore zone.

Mozambique

Kenmare began exploring for titanium minerals in Mozambique in 1987 and has had a presence in country for over 30 years. Mozambique lies on the south east coast of Africa, with an area of almost 800,000 km^2 and a coastline of 2,470 km.

Mozambique is a mining-friendly jurisdiction with a growing natural resources industry. In addition to titanium minerals, coal, gold and aluminium are all exported from Mozambique. The discovery of the Rovuma basin natural gas fields in the north of the country in 2011 is set to transform the economy in the coming decades, with an estimated $20+ billion investment underway from several multinational companies. The first offshore project in the Rovuma Basin commenced production in January 2022.

Working in partnership

During Kenmare's 30-year history in country, the Company has fostered strong relationships with the Government of Mozambique, local authorities, and its host communities. The Government has always upheld the terms of the Company's licences and other agreements, and Kenmare values their partnership highly. Moma's production accounts for approximately 7% of Mozambique's exports.

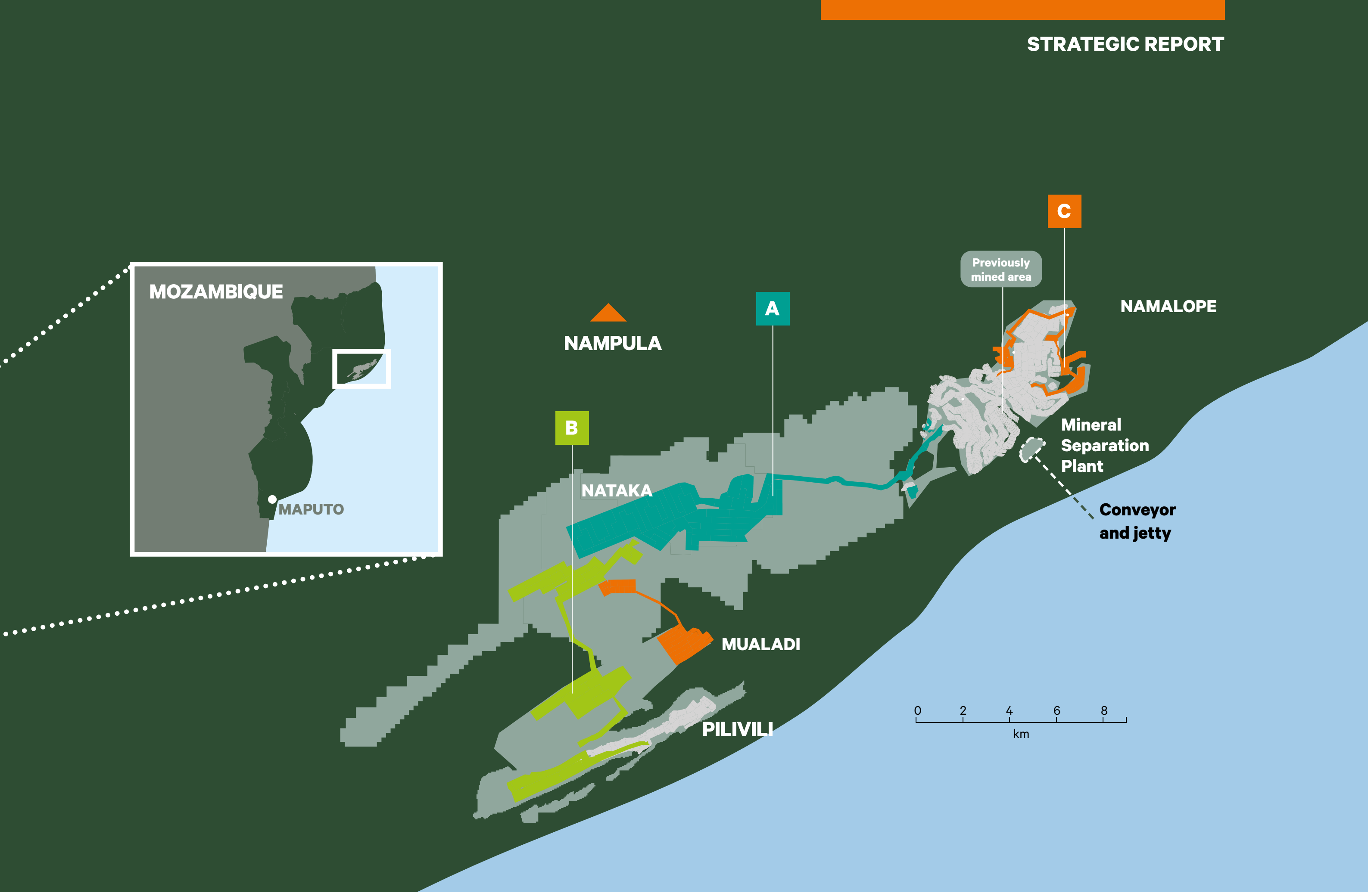
Good governance

Kenmare has been named as the most transparent company in Mozambique for three consecutive years by the Centre for Public Integrity's Extractive Industry Transparency Index, most recently in 2022. Mozambique is one of 52 countries that implements the Extractive Industries Transparency Initiative (EITI) and Kenmare representatives have been on Mozambique's EITI coordinating committee since its inception in 2009.

Democracy in action

Democratic elections have been held every five years in Mozambique since 1994, with the most recent election held in October 2019. The next election will be held in 2024.

Kenmare's Managing Director Michael Carvill with Moma employee Solomon Manuel and Irish Government Minister Conor Lenihan in 2006, ahead of Moma delivering first production in 2007.



WCP A

WCP A has been mining the Namalope ore zone since 2007 and is scheduled to continue mining there until late 2025, when it will move to Nataka, the largest ore zone within Moma's portfolio. Within Nataka, a high grade mine path has been identified that WCP A will mine for 20 years. WCP A has a throughput capacity of 3,250 tonnes per hour (tph).

WCP B

WCP B mined the Namalope ore zone from 2013 to August 2020. In September 2020, WCP B was relocated to the high grade Pilivili ore zone and it recommenced production two months later. Pilivili was chosen due to a number of favourable characteristics. WCP B has a throughput capacity of 2,400 tph, following the upgrade work undertaken in 2018.

WCP C

WCP C is the newest and smallest of the three Wet Concentrator Plants. It commenced production in February 2020 and it has a throughput capacity of 500 tph, representing one-fifth of the size of WCP B and one-sixth of the size of WCP A. WCP C is mining a high grade area of the Namalope ore zone, which is inaccessible to the two larger Wet Concentrator Plants.

Read more about stakeholder engagement on page 22

Read more about the Nataka transition on page 47

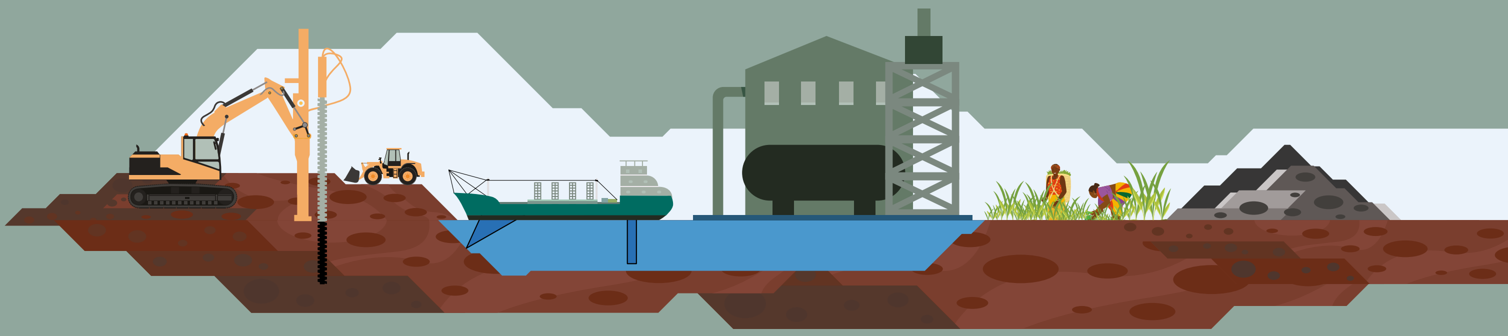
OPERATING PROCESS

KENMARE'S OPERATIONAL PROCESS IS WELL ESTABLISHED AND ENVIRONMENTALLY SOUND.

The Moma Mine is a low-cost, bulk mining operation that predominantly uses dredges to mine almost 40 million tonnes of titanium-rich sands per year.

Kenmare progressively rehabilitates and returns land to the community. The Company also supports its host communities through its not-for-profit organisation, the Kenmare Moma Development Association (KMAD), which was established in 2004.

Mining



1. EVALUATION

The mine plan is designed and scheduled based on Kenmare's Proved and Probable Ore Reserves. Kenmare is currently mining the Namalope and Pilivili ore zones, with plans to commence mining the Nataka ore zone from late 2025.

2. MINING

Dredging takes place in three artificial ponds, where four dredges feed three Wet Concentrator Plants (A, B and C). The dredges cut into the ore at the pond's base, causing the mineralised sand to slump into the pond where it is pumped to a WCP. Kenmare also has two dry mining operations to supplement ore feed to WCP A.

3. WET CONCENTRATOR PLANT (WCP)

The first processing stage at the WCPs consists of rejecting oversize material. Next, the ore feed is passed over progressive stages of gravity spirals, which separate the Heavy Mineral Concentrate (HMC) from tailings (silica sand and clay).

4. DUNE REHABILITATION

Tailings are deposited into a series of settling ponds, dried and re-contoured, with the previously removed topsoil redeposited. Rehabilitation is completed by planting a variety of vegetation as well as food crops. The area is then transferred back to the local communities.

5. HEAVY MINERAL CONCENTRATE

HMC is pumped to the Mineral Separation Plant (MSP), where it is stockpiled prior to further processing. HMC consists of valuable heavy minerals (ilmenite, zircon, rutile, and monazite, which is sold as part of Kenmare's concentrates product stream), other heavy minerals, and a small amount of other minerals (the bulk of which is silica sand).

Read more about Moma's Mineral Reserves and Resources on page 48

Read more about Kenmare's progressive land rehabilitation on page 71

>90%
Electricity from renewable source (hydropower)

0
Toxic chemicals used in operations

187 ha
Land rehabilitated in 2023

204k
Trees planted in 2023

Processing

Storage and export

6.
WET HIGH INTENSITY MAGNETIC SEPARATION
HMC is transferred from stockpiles by front-end loaders and fed to the Wet High Intensity Magnetic Separation (WHIMS) plant to separate magnetic from non-magnetic fractions.

7.
MAGNETIC, GRAVITY AND ELECTROSTATIC SEPARATION
The MSP uses magnetic, gravity and electrostatic circuits to separate the valuable minerals of ilmenite, rutile, zircon and monazite into individual products. The magnetic fraction of WHIMS output is dried and processed by electrostatic separation to produce ilmenite products. The non-magnetic fraction of the WHIMS output passes to the wet gravity separation circuit to remove silica and trash minerals. Electrostatic separators are then used to separate the conducting mineral rutile from the non-conducting minerals zircon and monazite.

8.
PRODUCT STORAGE WAREHOUSE
Ilmenite and rutile are stored in a 229,000 tonne capacity warehouse, which also contains an enclosed area to store the mineral sands concentrate product (containing monazite). Zircon is stored in a separate 35,000 tonne capacity warehouse to reduce the potential for cross-contamination. The warehouses load the products onto a 2.4 km-long overland conveyor.

9.
CONVEYOR, JETTY AND TRANSSHIPMENT
The conveyor transports product to the end of a 400 metre-long jetty, where product is loaded onto transshipment vessels, at a rate of 850 tonnes per hour. Kenmare owns and operates two transshipment vessels, the Bronagh J and the Peg.

10.
OCEAN-GOING BULK CARRIER
The vessels transport the products to a deep water transshipment point 10 km offshore, where they self-discharge into ocean-going third-party vessels. These vessels then transport the final products to multiple destinations around the world.

Other infrastructure

Other infrastructure on site includes a 170km 110kV power transmission line, a sub-station, a 9.6 MW diesel generator plant, an accommodation village, offices, a laboratory, an airstrip, water supply and sewage treatment plants.

OPERATING REVIEW

"2023 WAS AN IMPORTANT YEAR FOR DEVELOPMENT PROJECTS, WITH EXECUTION UNDERWAY ON THE WCP A UPGRADE"

Ben Baxter
CHIEF OPERATIONS OFFICER

Higino Jamisse
MOMA MINE GENERAL MANAGER

Introduction

The health and safety of Kenmare's workforce is the Company's highest priority. Following an increase in Lost Time Injuries (LTIs) from late 2022 into 2023, management took decisive action to improve risk management, leadership accountability for safety, and standards of work. The results of these initiatives bore fruit in H2, with reduced incidents and injuries, and by year-end, Kenmare had achieved two million hours worked without an LTI. Despite this, the Company's rolling 12-month Lost Time Injury Frequency Rate (LTIFR) to 31 December was 0.15, above the Company's three-year average, so in 2024 Kenmare is looking to build on this positive momentum.

Operations were challenging in H1 2023 due to an unusually severe lightning strike, leading ilmenite guidance to be revised downwards in July. Production strengthened in H2, with a run rate of over 1.1 million tonnes per annum of ilmenite achieved on a consistent basis. The operations team's focus in 2024 is on delivery and maintaining Kenmare's first quartile position on the industry revenue to cost curve.

2023 was an important year for development projects with progress made on a number of fronts. Execution is underway on the upgrade of Wet Concentrator Plant (WCP) A ahead of its transition to Nataka, which will unlock the majority of Moma's 9.0 billion tonnes of Mineral Resources. The Definitive Feasibility Study (DFS) for the upgrade of WCP B is due to be completed in Q2 2024, in addition to further Pre-Feasibility Study (PFS)-stage work on Congolone, Kenmare's potential future growth opportunity.

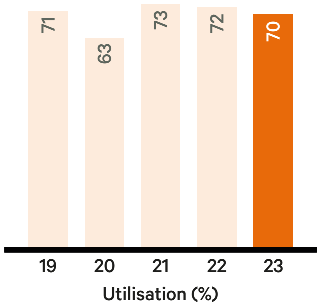
Mining

Heavy Mineral Concentrate (HMC) production in 2023 was 1,448,300 tonnes, down 9% compared to 2022 (1,586,200 tonnes), although with significantly improved production in H2 (814,400 tonnes versus 633,900 tonnes in H1 2023). The 9% annual reduction was a product of a 4% decrease in excavated ore volumes to 38,549,000 tonnes (2022: 40,029,000 tonnes) and a 5% decrease in ore grades to 4.38% (2022: 4.61%). Ore volumes were impacted primarily by the effects of the severe lightning strike in February 2023 and power supply interruptions, which affected operations throughout the year. Ore grades were down principally due to WCP B mining in wetlands, where grades were lower than expected, and WCP A mining lower grade ore as it approaches the end of its mine path in Namalope.

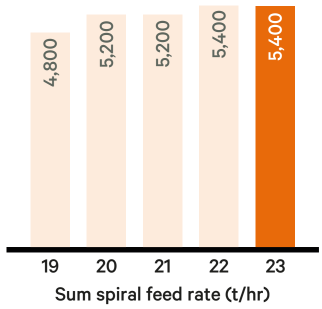
Reduced power reliability in 2023

As previously reported, an unusually severe lightning strike hit power lines close to the Mine in February 2023. An Electricidade de Moçambique (EdM) protection breaker failed to trip when the lightning struck and this resulted in extreme power surges, which caused damage to variable speed drives on the Mine's pumping and dredging equipment. Following this, a co-ordinated

MINE OVERALL UTILISATION (%)



MINING THROUGHPUT (T/HR)



programme of repairs and spares restocking was undertaken to support operations throughout Q2. A key learning from the incident was that certain relay equipment prevented damage and as a result, all drive relays have subsequently been changed to this type. In addition, the Company has initiated a project to develop its own electrical incoming breaker to provide an additional line of defence to the protection offered by the EdM transmission system.

The reliability of grid power was also impacted in the second half of the year, firstly by a failure of the EdM STATCOM in Nampula, which is a device that supports the voltage in the country's northern grid network. Kenmare agreed to fund international contractors to repair this unit to expedite the process. Secondly, switching irregularities in the national network triggered voltage disturbances and outages. The increase in voltage drops and outages had a negative effect on the reliability of Mine electrical equipment, resulting in increased downtime and higher repairs and maintenance costs throughout the year.

The synchronous condenser (a voltage stabilisation device referred to as a "Dip Doctor", which alleviates approximately 80% of the dips and spikes in power supply to the Mine) performed well during the year and continues to bring significant value to the business. The Rotary Uninterruptible Power Supply (RUPS) also provided substantial benefits to the Mineral Separation Plant (MSP) in 2023, including protecting it during the lightning strike.

Overall, 6% of operating time was lost across Kenmare's mining operations due to power interruptions in 2023, compared to the expected 3%. This was due to a combination of the outages and the resulting time required for de-sanding of pipelines and circuits, following power interruptions.

Looking ahead, EdM is expected to commission a new 400 kV line to Alto Molocue in H1 2024. This will provide a dual line, an improvement on the current single line, and bring transmission reliability to an area of the grid that has been highly susceptible to outages in the past. In addition, the Company continues to liaise with EdM to establish ways to improve reliability and increase standards of maintenance.

Wet Concentrator Plant A

Slimes remained a significant impediment to operations at WCP A in 2023, impacting throughputs and recoveries. Consequently, throughputs at WCP A were limited to 2,700 tonnes per hour (tph), despite existing processing capacity to run at average rates of 3,250 tph. This issue will be resolved by the upgrade of WCP A in preparation for mining at Nataka. Settling paddocks were well managed during the year, with new paddocks added to create additional surface area for settling. This avoided any significant downtime events and utilisations were at historical highs of 73% for the year.

Progress was made throughout the year on recoveries at WCP A. This included the implementation of additional raw water into the mining pond as well as the addition of raw water to the spiral circuits, which delivered stronger recoveries from April onwards (78%, rising to 85%).

Wet Concentrator Plant B

WCP B's operating performance was impacted primarily by lost operating time associated with both the lightning strike in Q1 2023, which caused extensive electrical equipment failures, and the lower grades experienced as a result of mining in wetland areas.

WCP B mined former wetlands in Pilivili for the first time in 2023. This process released deeply buried root material that could not be cleared prior to mining, reducing throughputs, although this issue was overcome with increased screening. The grades mined in the wetlands were also below expectations. A review of the Mineral Resource drilling conducted in the late 1990s by a contractor identified a lower than usual number of drill holes used to calculate the Mineral Resource, due to the difficulty of drill access and the environmental

1.45Mt
HMC production in 2023

38.5Mt
Excavated ore volumes in 2023

Read more about Kenmare's sustainability performance on page 58

disturbance. The wetland areas of Pilivili have now been extensively redrilled by Kenmare and these grades align with the actual grades being recorded.

Dry mining continued to be eliminated at WCP B in 2023 as dredge mining was able to deliver sufficient volumes of ore, benefitting operating costs.

Wet Concentrator Plant C

WCP C had a challenging H1 2023 due to the planned crossing of an area of tailings taking four months to complete instead of the expected two months. This was due to a difficult decline in the mining floor, which complicated pond water management. In H2 2023, WCP C's mine path incorporated thinner, high grade deposits, again leading to reduced productivity. However from late Q1 2024, WCP C is planned to move into a long-term, more productive dredge path expected to deliver nameplate capacity through to 2030.

Mining outlook

Mining will continue to remain the key bottleneck to production of finished products in 2024, with production guidance for the year set at similar levels to 2023. The average grade is expected to be approximately 4% THM in 2024, as a consequence of the lower grades encountered at WCP B as well as declining grades for the last years of WCP A's current mine path. As such, there is renewed focus by the operations team to ensure strong throughput rates and utilisations.

Processing

Total finished products in 2023 were 1,091,500 tonnes, a 9% decrease compared to 2022 (1,200,800 tonnes), in line with reduced HMC production. After a challenging H1 due primarily to the lightning strike limiting feed availability, production improved in H2, with a run rate exceeding 1.1 million tonnes of ilmenite on an annualised basis.

For 2023, ilmenite production was 986,300 tonnes and within the revised guidance range of 980,000 to 1,040,000 tonnes. Production of primary zircon and rutile was within original guidance and concentrates production exceeded original guidance.

Ilmenite production in 2023 was down 9% compared to 2022 (1,088,300 tonnes), broadly in line with the 8% reduction in HMC processed. Variations in feed supply impacted the non-magnetic circuits more than ilmenite circuits as a result of increased circuit de-sanding and lower recoveries. Zircon production was 51,100 tonnes, down 12% on 2022 (58,400 tonnes), while rutile production was 8,400 tonnes, down 6% (8,900 tonnes) as a result of the lower recoveries, down 13% and 9% for zircon and rutile respectively. The RUPS supported recoveries in line with its design but was temporarily offline during Q2 and Q3 for design upgrades, and also suffered some minor outages in Q4 leading to high disturbance levels in the plant, which are now resolved. A recovery improvement plan has been initiated for 2024.

Production of concentrates was at record levels of 45,700 tonnes, up 1% on 2022 (45,200 tonnes), as a result of higher production of Mineral Sands Concentrate (MSC). This was due to a strong mix of monazite-rich feed sources. Production of secondary zircon concentrate meanwhile reduced by 5%. Together, concentrates production captured much of the lost recovery in the primary zircon and rutile products.

Shipping

Shipments in 2023 were 1,045,200 tonnes, a 3% decrease compared to 2022 (1,075,600 tonnes). This was due to lower production and more cautious buying from customers during this period of weaker demand, compounded by customers' destocking. Shipping operational productivity ran smoothly during the year, with excellent transshipment fleet availability and cycle times. The effects of poor weather in Q4 delayed some shipments from December into 2024.

Shipments during the year comprised 939,000 tonnes of ilmenite, 51,300 tonnes of primary zircon, 7,900 tonnes of rutile and 47,000 tonnes of concentrates. A total of 42 ocean-going vessels visited Moma's dedicated port facilities during 2023.

2024 production guidance

Kenmare's 2024 guidance for production is as follows:

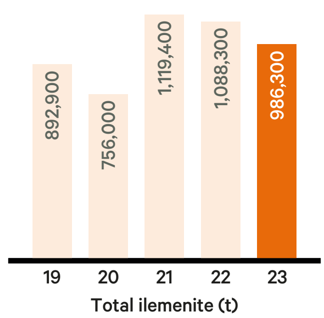
PRODUCTION	UNIT	2024 GUIDANCE	2023 ACTUAL
Ilmenite	tonnes	950,000–1,050,000	986,300
Primary zircon	tonnes	45,000–50,000	51,100
Rutile	tonnes	8,000–9,000	8,400
Concentrates[1]	tonnes	37,000–41,000	45,700

[1] Concentrates include secondary zircon and mineral sands concentrate.

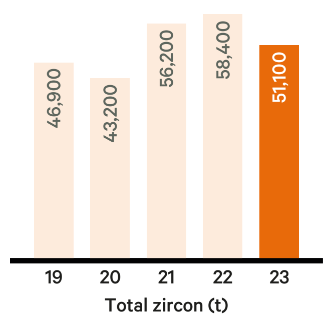
Production of all finished products in 2024 is expected to be at similar levels to 2023, with increased mining rates anticipated to offset falling ore grades. Consequently ilmenite production in 2024 is expected to be between 950,000 tonnes and 1,050,000 tonnes. Production is anticipated to be weighted towards H2 due to the grade profile. Closing product inventories at the end of 2023 were above normal levels, providing the opportunity to maintain sales volumes with lower production in H1 2024.

Total cash operating costs are anticipated to increase to $219-243 million in 2024, largely due to cost increases in production overheads and power. Expenditure on development projects

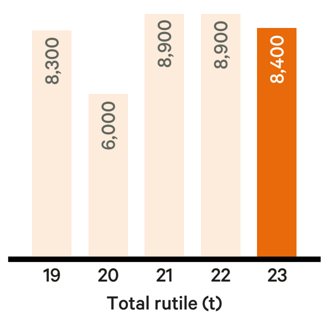
ILMENITE PRODUCED (T)



ZIRCON PRODUCED (T)



RUTILE PRODUCED (T)



and studies is expected to be approximately $189 million in 2024. These costs primarily relate to the transition of WCP A to Nataka and feasibility studies for the upgrade works to WCP B. Improvement projects are expected to cost $6 million in 2024 and relate primarily to upgrades to the MSP. Sustaining capital costs in 2024 are expected to be approximately $29 million.

Development projects

Transition to Nataka

Preparations for WCP A's transition to Nataka were the main focus of Kenmare's projects team in 2023. WCP A is the largest of Kenmare's three WCPs and Nataka is the largest ore zone within Moma's portfolio. Transitioning WCP A to Nataka will unlock the majority of Moma's Mineral Resources and secure production from Moma for decades to come.

The PFS for the WCP A upgrade and Nataka transition was completed in Q1 2023. Key elements of the PFS included:

- Two higher capacity dredges with auxiliary hydro-guns – these will be able to deliver in excess of 4,500 (tph) of run of mine feed. The dredges have the capacity to cut the harder ore in Nataka and the hydro-guns will provide safe and consistent ore feed to the WCP
- Upfront desliming circuit - in order to effectively manage the higher slimes conditions in Nataka, an upfront desliming circuit will be required, which will include replacing the existing trommel screens and surge bin with vibrating screens and a new surge bin and adding desliming feed cyclones. Following this work, 3,250 tph of deslimed feed will be delivered to WCP A's rougher spirals
- Tailings Storage Facility (TSF) – the TSF will replace the current paddock slimes settling system, further increasing WCP A's ability to manage higher slimes at Nataka
- Various new infrastructure will be required to accommodate WCP A in Nataka, as it is a greater distance from the MSP than the current Namalope operations, such as roads and electrical and pumping systems

Following these upgrades, the majority of WCP A will be new and fit for purpose in Nataka. WCP A will have significantly improved ability to manage increased slimes, which currently inhibit feed rates and recoveries. The higher capacity dredges remove the need for supplementary dry mining, which is higher cost than dredge mining and the TSF will eliminate the now expensive paddock slimes settling system. This is expected to simplify future operations and ensure Kenmare remains in the first quartile of the industry cost to revenue curve.

The DFS for the key elements of the WCP A upgrade was approved by the Board in December to move into the execution phase, with work now well underway. The current status of the project is as follows:

- The two new dredges were ordered in September 2023 and fabrication commenced in Q1 2024, with commissioning expected from May 2025
- The cutting of steel for the floating pontoons on the WCP A desliming plant commenced at the beginning of 2024, with commissioning expected in May 2025
- Detailed design work for the TSF has commenced, with commissioning expected in Q3 2025

A DFS for additional infrastructure required for the Nataka operations from 2026 onwards is underway and due to be completed in Q2 2024, ahead of the commencement of operations at Nataka.

The capital cost estimate for the project is $326 to 341 million to the end of 2027, including the additional infrastructure. Cost estimates increased between the PFS and DFS due to changes in scope/design (approximately 60%) as opportunities were taken to mitigate execution risk of the project and enhance long-term operational capacity; additional indirect costs (approximately 25%) as a result of greater governance and schedule risk mitigation; and contingency additions (approximately 15%) to account for quantitative risk mitigation for schedule overrun and the remote location of the Mine. A significant component of these increases was the effects of capital cost inflation during the period. Kenmare is actively looking for opportunities to optimise the scope, design and execution of the project.

WCP B upgrade

During 2023 Kenmare also delivered a PFS on a potential upgrade of WCP B's capacity by over 40%, from 2,400tph to 3,400tph. This project would support delivery of increased production on a sustainable basis and following the upgrade, WCP B would be the largest of Kenmare's three mining plants by capacity.

The PFS had an estimated capital cost of $43 million and a compelling payback period. The upgrade work would include:

- An upgrade to WCP B's existing dredge plus the addition of one of the two existing dredges from WCP A, which are due to be replaced as part of the WCP A upgrade
- 1,000 tph additional spirals feed capacity
- An upgrade to the tailings system

A DFS for the project is now underway and is due to be completed in Q2 2024, although final investment decision has been deferred to increase financial flexibility during the WCP A upgrade work.

Outlook

2023 was a disappointing year for Kenmare from a production perspective, but the operations team is committed to improving outputs in 2024 in order to achieve guidance, while maintaining its recent strong safety performance. The year began well from this perspective, with three million hours worked without an LTI passed in late February 2024.

The preparations for the transition to Nataka will accelerate in 2024, with work now well underway on the key components of the WCP A upgrade. This project secures a long and efficient mine life for WCP A in Nataka, with mine path visibility for the next 20 years.

Finally, in 2024 Kenmare will continue its focus on the development of its people. The Company is proud that its workforce is now 97% Mozambican and 16% female, creating opportunities for all. In 2024, Kenmare will see the continuation of its full role delivery programme for leaders and work will continue on its progression routes programme, which ensures a career development plan is in place for all employees. Kenmare is proud of its team at Moma and the operational leadership team would like to express its thanks to all employees for their contribution towards building a safer and more productive working environment in 2023 and for the year ahead.

Ben Baxter
CHIEF OPERATIONS OFFICER

MINERAL RESERVES AND RESOURCES

1.4bnt
Total Ore Reserves

9.0bnt
Total Mineral Resources

200Mt
Ilmenite Mineral Resources

Ore Reserves and Mineral Resources

Introduction

Moma is a globally significant titanium minerals deposit. Moma has nine billion tonnes of Mineral Resources (including Ore Reserves), which includes 200 million tonnes (Mt) of ilmenite, which is equivalent to over 100 years of production at the current production rate, plus the co-products of zircon, rutile and mineral sands concentrate.

The Moma deposit benefits from abundant fresh water, no overburden, a robust ore grade and attractive products that do not have to be upgraded before being used. This gives the Company the ability to mine, concentrate and separate its products with relatively low capital and operating costs, in part due to more than 90% of electricity consumed being derived from low-cost hydroelectric power. Kenmare also operates a dedicated port facility adjacent to the Mineral Separation Plant (MSP), which allows for the shipment of products to customers at minimum cost.

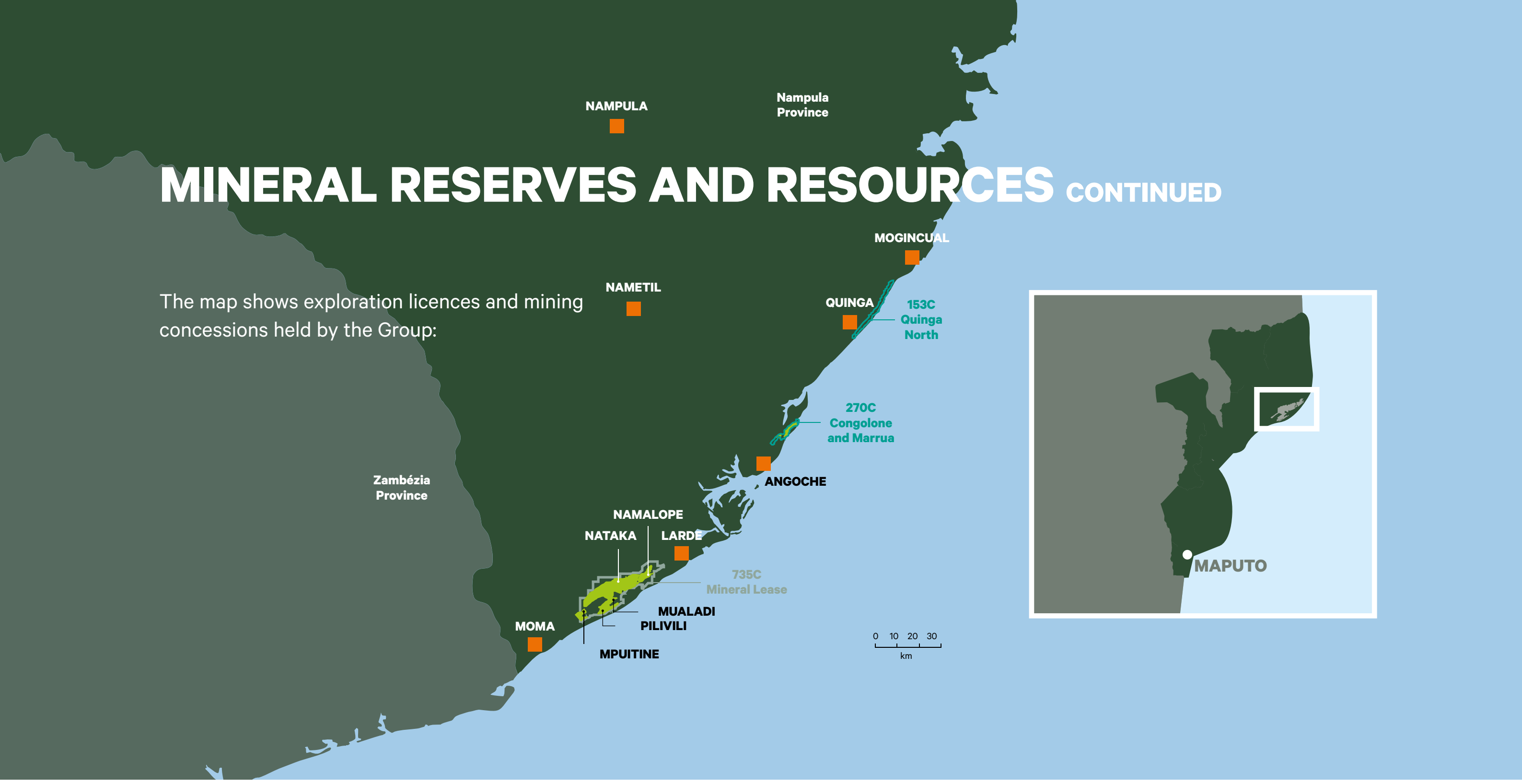
Summary of Ore Reserves and Mineral Resources

The total proved and probable Ore Reserves in the Namalope, Pilivili, and Nataka mining concessions are estimated at 1,429 Mt grading 3.2% Total Heavy Minerals (THM). This represents 38Mt ilmenite (grading 2.6%), 2.4Mt zircon (grading 0.17%), and 0.79Mt rutile (grading 0.055%), as at 31 December 2023.

The total Mineral Resources (excluding Ore Reserves) held by the Group under a combination of mining concessions is estimated at 7.5 billion tonnes, grading 2.7% THM. This breaks down to 162Mt ilmenite (grading 2.2%), 11Mt zircon (grading 0.14%) and 3.5Mt rutile (grading 0.047%), as at 31 December 2023. Details are set out in the Ore Reserves and Mineral Resources table on page 51.

MINERAL RESERVES AND RESOURCES CONTINUED

The map shows exploration licences and mining concessions held by the Group:



2023 update

The process and the generation of the revised Ore Reserve and Mineral Resource statement has been completed with guidance from independent specialists, SRK, who have assessed the methodologies in place to generate Ore Reserves and Mineral Resources. As part of this exercise, a review of cut-off grade protocols has led to revisions to Ore Reserves and Mineral Resources in certain ore zones, with increases in contained tonnage, but at a reduced average grade. This preferred methodology had already been in use for many years in the scheduling of production forecasts and in the Company's strategy of maximising Heavy Mineral Concentrate (HMC) production to meet MSP capacity but had not been applied in the determination of certain Ore Reserves and Mineral Resources. This is rectified in this update, with minimal impact in the Namalope, Pilivili and Nataka ore zones for WCP A, WCP B and WCP C, but impacts are seen in the Mineral Resource estimates for Congolone, Marrua and Mpuitine.

The Namalope deposit continues to be mined by WCP A and WCP C. The Pilivili deposit continues to be mined by WCP B. Reductions in the Ore Reserve statement relate to depletion from mining in 2023 and dredge path revisions that were made during the year to optimise the mine plan.

The Namalope Ore Reserves comprise 72Mt of ore grading 3.3% THM, representing 2Mt contained ilmenite (grading 2.7%), 0.13Mt zircon (grading 0.18%) and 0.05Mt rutile (0.063%). A further 6,336 metres (m) of drilling was undertaken at Namalope in 2023 to improve orebody knowledge, comprising mineral fractionation sampling for the 2024 and 2025 mine paths; mining floor definition works for the WCP A mine path; further drilling of identified deeper ore that could be exploited by supplementary dry mining to feed WCP A; and CPTu drilling to provide increased information relating to orebody hardness.

Nataka is the largest ore zone within Moma's portfolio, representing almost 70% of Moma's total Mineral Resources. The Definitive Feasibility Study for the key elements of the transition to Nataka was completed in 2023, with the Ore Reserve status further updated from the Pre-Feasibility Study (PFS), adding geological interpretation and mine path optimisation of the transition channel linking the end of Namalope mine path and the Nataka 20-year mine path. Nataka comprises probable Ore Reserves of 1,240Mt grading 3.1% THM, which represents 33Mt of contained ilmenite (grading 2.6%), 2.03Mt zircon (grading 0.16%) and 0.66Mt rutile (grading 0.05%).

The Pilivili Ore Reserves comprise 117Mt of ore grading 3.4% THM, with 3.2Mt of contained ilmenite (grading 2.8%), 0.24Mt zircon (grading 0.20%) and 0.08Mt rutile (grading 0.069%). The 2023 Pilivili drilling programme comprised 8,938m of drilling and focused on improving orebody knowledge in the south western area within the former wetlands of Pilivili.

During 2023, grades encountered by WCP B in the Pilivili ore zone were below expectations. This area was drilled in the late 1990s and this work overestimated heavy mineral content. Infill drilling of the wetland areas was undertaken in 2023, including in areas inaccessible due to environmental sensitivity in the past. Future wetland grades have now been reassessed in line with the actual mining recoveries experienced in 2023.

Kenmare is currently preparing a PFS for the Congolone ore zone, which represents a potential future growth opportunity for the Company. The Congolone Mineral Resource increased by 24% to 352Mt of ore grading 3.0% THM. This represents 8.5Mt contained ilmenite (grading 2.4%), 0.7Mt zircon (grading 0.19%), and 0.2Mt rutile (grading 0.06%). This increase is due to:

- A 5% increase in the Measured Mineral Resource to 216Mt, maintaining a similar grade of 2.56% ilmenite as opposed to 2.67% reported in the 2022 statement
- Additional areas to the south of the Measured Mineral Resources have been drilled on a 500x250m grid in 2023, with 938m of drilling and sampling completed. This has allowed conversion of previously Inferred and unclassified Mineral Resources into Indicated and Inferred Mineral Resources. A significant increase in tonnage of low-grade ore has been identified in this area, increasing Indicated Mineral Resources by 79Mt to 134Mt grading 2.16% ilmenite
- A reduction in cut-off grade has also contributed to the reduced Indicated Mineral Resource grades. Increased confidence in the geology with additional Mineral Resource and geotechnical drilling has identified low slimes, high dune mining potential. The ongoing PFS for Congolone provides a basis for a reasonable prospect for eventual economic extraction, supported by present infrastructural, social and environmental development programmes

In 2023 drilling activities were also undertaken in the Marrua ore zone, with 18 out of 55 historic holes re-drilled. It remains classified as Inferred Mineral Resource with an upgraded model from new geological interpretations. Applying the revised cut-off grade protocol, it comprises 100Mt of ore at 2.9% THM. No mineral assemblage assays are yet available.

The Mpuitine Mineral Resource was remodelled in 2023 using drilling data from 2018 on a 1,000x400m grid. Applying the revised cut-off grade protocol, it now comprises 477Mt of ore grading 2.7% THM, which represents 11.4Mt (grading 2.4%) of contained ilmenite, 0.6Mt zircon (grading 0.12%), and 0.2Mt rutile (grading 0.04%). Product quality data has yet to be developed on a comprehensive scale.

During 2023 across all areas of the Moma deposit, 399m of drilling to install water monitoring piezometers was completed and 9,806m of CPTu drilling was completed to build geotechnical data to support orebody hardness assessments. No reverse circulation drilling was undertaken in the Nataka, Mualadi, Mpuitine and Quinga North ore zones during 2023.

Read more about Kenmare's business model on pages 24 to 25

The following audited table sets out Kenmare's Ore Reserves and Mineral Resources as at 31 December 2023:

ZONES	CATEGORY	ORE (MT)	% THM*	% ILMENITE IN THM	% ILMENITE IN ORE	% RUTILE IN ORE	% ZIRCON IN ORE	THM (MT)	ILMENITE (MT)	RUTILE (MT)	ZIRCON (MT)
RESERVES											
Namalope	Proved	52	3.5	81.3	2.8	0.06	0.18	1.8	1.5	0.0	0.1
Namalope	Probable	20	3.0	81.0	2.4	0.06	0.17	0.6	0.5	0.0	0.0
Pilivili	Proved	28	3.4	80.6	2.8	0.07	0.20	1.0	0.8	0.0	0.1
Pilivili	Probable	89	3.5	80.5	2.8	0.07	0.20	3.1	2.5	0.1	0.2
Nataka	Probable	1,240	3.1	83.7	2.6	0.05	0.16	39.0	32.6	0.7	2.0
TOTAL RESERVES	**Proved and Probable**	**1,429**	**3.2**	**83.3**	**2.6**	**0.06**	**0.17**	**45.4**	**37.8**	**0.8**	**2.4**

RESOURCES	CATEGORY	SAND (MT)	% THM*	% ILMENITE IN THM	% ILMENITE IN SAND	% RUTILE IN SAND	% ZIRCON IN SAND	THM (MT)	ILMENITE (MT)	RUTILE (MT)	ZIRCON (MT)
Congolone	Measured	216	3.2	81.0	2.6	0.07	0.21	6.8	5.5	0.1	0.4
Namalope	Measured	122	3.4	81.2	2.8	0.06	0.19	4.2	3.4	0.1	0.2
Pilivili	Measured	24	2.8	79.5	2.2	0.06	0.17	0.7	0.5	0.0	0.0
Namalope	Indicated	71	2.8	80.9	2.3	0.05	0.16	2.0	1.6	0.0	0.1
Congolone	Indicated	134	2.7	79.4	2.2	0.06	0.16	3.6	2.9	0.1	0.2
Nataka	Indicated	2,101	2.8	82.1	2.3	0.05	0.15	59.4	48.7	1.0	3.2
Pilivili	Indicated	89	2.9	80.2	2.3	0.06	0.17	2.5	2.0	0.1	0.1
Mualadi	Indicated	483	2.4	81.7	2.0	0.04	0.13	11.7	9.5	0.2	0.7
Congolone	Inferred	2	1.9	77.5	1.4	0.04	0.10	0.0	0.0	0.0	0.0
Pilivili	Inferred	32	2.4	80.3	1.9	0.05	0.14	0.8	0.6	0.0	0.0
Mualadi	Inferred	573	2.2	81.8	1.8	0.04	0.12	12.6	10.3	0.2	0.7
Nataka	Inferred	3,043	2.5	82.4	2.1	0.04	0.13	77.3	63.7	1.3	4.1
Mpitini	Inferred	477	2.7	89.5	2.4	0.04	0.12	12.8	11.4	0.2	0.6
Marrua	Inferred	100	2.9	0.0	0.0	0.00	0.00	2.9	0.0	0.0	0.0
Quinga North	Inferred	71	3.5	80.0	2.8	0.14	0.28	2.5	2.0	0.1	0.2
TOTAL RESOURCES		**7,538**	**2.7**	**81.2**	**2.2**	**0.05**	**0.14**	**199.8**	**162.3**	**3.5**	**10.7**

*THM is total heavy minerals of which ilmenite (typically 82%), rutile (typically 2.5%) and zircon (typically 5.5%) total approximately 90%. Tonnes and grades have been rounded and hence small differences may appear in totals. Mt represents million tonnes.

Mineral Resources are additional to Ore Reserves. Estimates for the Namalope, Nataka and Pilivili Ore Reserves and Namalope, Nataka, Congolone, Pilivili, Mualadi, Mpuitine and Marrua Mineral Resources comply with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2012 edition. Table 1 documentation for these Ore Reserves and Mineral Resources can be found at www.kenmareresources.com. Estimates for the Quinga North Mineral Resource were prepared and first disclosed under the 2004 edition of the JORC Code. These have not been updated to comply with the JORC Code 2012 edition on the basis that the information has not materially changed since it was last reported.

The competent person for the Namalope, Nataka and Pilivili Ore Reserves and Mineral Resources and the Congolone, Mualadi, Mpuitine and Marrua Mineral Resources is Sonsiama Kargbo (MAusIMM and MAIG). Sonsiama is an employee of Kenmare and takes part in the Kenmare Resources Restricted Share Plan. Sonsiama has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the JORC Code 2012 edition. Sonsiama gives consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

FINANCIAL REVIEW

"THE BUSINESS CONTINUED TO GENERATE STRONG CASH FLOW, SUPPORTING SIGNIFICANT SHAREHOLDER DISTRIBUTIONS, DEBT REPAYMENTS AND CAPITAL INVESTMENT, WHILE RETAINING A NET CASH BALANCE."

Tom Hickey
FINANCIAL DIRECTOR

Overview

Following 2022's record financial performance, Kenmare experienced both operational challenges and a weaker product market in 2023. Despite this, the Group delivered a robust financial performance, with EBITDA of $220.3 million (2022: $298.0 million) and profit after tax of $131.0 million (2022: $206.0 million). The business continued to generate strong cash flow, supporting significant shareholder distributions of $86.6 million, $31 million of debt repayments and almost $70 million of capital investment, while retaining a net cash balance.

Looking ahead, the Group is focused on the capital programme required for the transition of Wet Concentrator Plant (WCP) A to the Nataka ore zone in late 2025, an investment that will secure production from Moma for decades to come. This project is expected to be funded through existing cash resources and debt, with new debt facilities agreed in March 2024.

Revenue

Revenue was $458.5 million in 2023, a 13% decrease compared to 2022 ($525.9 million). This was driven by a 10% reduction in the average price received for Kenmare's products and lower shipping volumes, which were 3% down on the prior year. In particular, some shipments planned for late 2023 were deferred to January 2024 due to poor weather conditions around year end.

Total shipments during the year amounted to 1,045,200 tonnes (2022: 1,075,600 tonnes) and comprised 939,000 tonnes of ilmenite (2022: 953,400 tonnes), 51,300 tonnes of primary zircon (2022: 60,500 tonnes), 7,900 tonnes of rutile (2022: 12,900 tonnes), and 47,000 tonnes of concentrates (2022: 48,800 tonnes).

Ilmenite revenue amounted to $315.1 million in 2023 and decreased by 9% on the prior year (2022: $347.4 million) as a result of a 2% decrease in shipment volumes and an 8% price decrease to $336 per tonne (2022: $364 per tonne). Primary zircon revenue decreased by 20% to $79.6 million (2022: $99.2 million) due to a 15% decrease in shipment volumes and a 5% price decrease. Freight revenue in 2023 decreased to $21.4 million (2022: $27.6 million), reflecting lower volumes shipped and reduced average freight rates during the year, in line with global shipping trends.

$220.3m
EBITDA

50%
EBITDA margin

2023 results

The key financial metrics were as follows:

PRODUCTION	2023	2022	FY CHANGE %
Mineral Product Revenue ($ million)	**437.1**	498.3	-12%
Freight Revenue ($ million)	**21.4**	27.6	-22%
Total Revenue ($ million)	**458.5**	525.9	-13%
Finished products shipped (tonnes)	**1,045,200**	1,075,600	-3%
Average price per tonne ($/t)	**418**	463	-10%
Average ilmenite price per tonne ($/t)	**336**	364	-8%
Average zircon price per tonne ($/t)	**1,552**	1,638	-5%
Total operating costs[1,2] ($ million)	**303.3**	292.6	4%
Total cash operating cost[1] ($ million)	**228.1**	218.7	4%
Cash operating cost per tonne of finished product[1] ($/t)	**209**	182	15%
EBITDA[1] ($ million)	**220.3**	298.0	-26%
Profit after tax ($ million)	**131.0**	206.0	-36%
Net cash/(debt)[1] ($ million)	**20.7**	25.7	-19%
Full year dividend per share (USc)	**56.0**	54.3	3%

Notes to table:

1 Additional information in relation to these Alternative Performance Measures (APMs) is disclosed in the glossary.

2 Depreciation is included in total operating costs.

Operating costs

	2023 $M	2022 $M	FY CHANGE %
Cost of sales	**294.9**	282.7	4%
Administrative expenses	**8.4**	9.9	(15%)
Total operating costs	**303.3**	292.6	4%
Freight charges	**(21.4)**	(27.6)	(22%)
Total operating costs less freight charges	**281.9**	265.0	6%
Non-cash costs			
Depreciation	**(65.2)**	(64.6)	1%
Expected credit losses	**-**	(1.1)	(100%)
Share-based payments	**(3.3)**	(2.2)	50%
Mineral products inventory movements	**14.7**	21.6	(32%)
Total cash operating costs	**228.1**	218.7	4%
Finished product production (tonnes)	**1,091,500**	1,200,800	(9%)
Cash operating cost per tonne of finished product ($/t)	**209**	182	15%

The Group remained focused on cost control and operational efficiency initiatives throughout the year to moderate the impact of inflation and rising energy prices. Despite this, total cash operating costs rose by 4% to $228.1 million (2022: $218.7 million). This was principally driven by increased heavy mobile equipment (HME) rental and fuel costs associated with the mine paths for WCP A and WCP B, which included valley traverses and mining wetlands, as well as costs associated with the lightning strike in February 2023. Materially higher diesel prices also impacted the cost of running the Group's own fleet of HMEs and some equipment within the Mineral Separation Plant (MSP). As a result of these factors and lower production volumes, cash operating costs per tonne of finished product increased by 15% to $209 per tonne in 2023 (2022: $182 per tonne).

Finance income and costs

The Group recognised finance income of $5.9 million in 2023 (2022: $1.1 million), consisting of interest on bank deposits. Finance costs were $11.1 million (2022: $12.5 million), including loan interest of $7.9 million (2022: $8.8 million), letter of credit arrangement and factoring fees of $1.5 million (2022: $2.2 million), lease interest of $0.1 million (2022: $0.1 million), commitment fees of $0.9 million (2022: $0.5 million), and unwinding of the discount on the mine closure provision of $0.7 million (2022: $0.7 million).

Read more about Kenmare's operations on page 40

Read more about economic value distributed in Mozambique on page 72

Tax

The tax charge for the year amounted to $18.9 million (2022: $16.1 million). The majority of this tax charge is payable by the Group's mining subsidiary, Kenmare Moma Mining (Mauritius) Limited (KMML), in Mozambique. KMML Mozambique Branch had taxable profits of $34.1 million (2022: $39.0 million), resulting in an income tax expense of $11.8 million being recognised (2022: $14.4 million). The income tax rate applicable to taxable profits of KMML Mozambique Branch is 35% (2022: 35%).

The Company, Kenmare Resources plc, had taxable profits of $89.2 million (2022: $13.3 million), resulting in an income tax expense of $7.2 million (2022: $1.6 million). The higher taxable profits in the Company were largely due to $70.0 million of dividends received from KMML, which were subject to Irish corporation tax at an effective tax rate of 9.9% (2022: nil%). No intercompany dividend was received by the Company in 2022.

In late 2023 the Irish Department of Finance initiated a consultation process on the introduction of a participation exemption in Irish corporation tax for foreign sourced dividends. The objective of this process is, inter alia, to determine if Ireland should transition to a territorial system of taxation for foreign sourced dividends and branch income, resulting in no additional charge to tax being incurred upon receipt in Ireland, as is currently the case in all other EU Member states. Kenmare participated in the consultation process. As a Group with foreign subsidiaries and branch undertakings, Kenmare would welcome the simplification of the current 'tax and credit' system and the reduced risk and increased certainty that this would provide. The outcome of this consultation process is expected during 2024 and changes, if implemented, may become effective in 2025. If adopted, such changes would be expected to reduce the Company's Irish income tax expense.

Earnings per share

Basic earnings per share (EPS) in 2023 amounted to $1.41 per share (2022: $2.17 per share). On a diluted basis, EPS amounted to $1.37 per share (2022: $2.12 per share). The EPS figures are calculated on the basis of the weighted average number of shares in issue during the year, which was 93,126,115 (2022: 94,919,944), reflecting the impact of the share buy-back undertaken in September 2023.

Dividends

Profit after tax was $131.0 million in 2023 (2022: $206.0 million), a 36% decrease, primarily due to lower revenues and a modest increase in operating costs. The Board is recommending a final dividend of USc38.54 per share, which is subject to shareholder approval at the Annual General Meeting (AGM). This would give a full year dividend of USc56.04 per share for 2023, which represents a 3% increase on 2022. The financial statements do not reflect this final dividend.

Cash flows

Kenmare's business is highly cash generative and delivered $151.6 million from operations in 2023 (2022: $209.4 million). While this 28% decrease was driven by lower earnings and increases in working capital during the year, the Group's balance sheet remains strong, with multiple sources of liquidity to support operations, capital investments and shareholder returns.

Working capital movements absorbed $44.3 million in 2023 (2022: $73.3 million), of which $29.5 million related to increased year-end receivables arising from strong Q4 shipments, with the balance principally reflecting increased year-end inventories of intermediate and finished mineral products. The Group made interest payments of $7.3 million (2022: $7.1 million), tax payments of $21.1 million (2022: $10.5 million) and paid fees for a letter of credit arrangement of $1.5 million (2022: $2.2 million) during the year. Investing activities of $66.5 million (2022: $59.9 million) represented additions to property, plant, and equipment as discussed further below.

Shareholder returns in 2023 totalled $86.6 million (2022: $35.2 million). They were comprised of the final 2022 dividend of USc43.33 per share (2021: USc25.42) totalling $41.1 million and the H1 2023 interim dividend of USc17.5per share (2022: USc10.98) totalling $15.6 million. In 2023, the Group completed a share buy-back for $30.0 million (2022: $0.5 million odd-lot offer).

The Company's Employee Benefit Trust purchased $6.2 million (2022: $1.8 million) of shares during the year for satisfaction of the exercise of the Kenmare Resources Share Plan (KRSP) awards. Lease repayments of $0.3 million (2022: $1.0 million) were made during the year, relating to the rental of the Group's Dublin and Maputo offices.

Consequently, Kenmare finished the year with net cash broadly flat at $20.7 million (2022: $25.7 million), despite having funded all operating costs, capital investments and working capital movements and returned over $86 million to shareholders through dividends and the share buy-back.

Balance sheet

In 2023 there were additions to property, plant, and equipment of $69.7 million (2022: $59.9 million). Additions consisted of $18.2 million (2022: $6.8 million) on Pre-Feasibility Studies for the transition of WCP A to the Nataka ore zone and the WCP B upgrade, $22.8 million (2022: $nil million) on initial payments relating to the WCP A upgrade and early works required for mining in Nataka, and $28.7 million (2022: $53.1 million) for various other capital additions. All 2023 capital expenditure was funded from operating cashflows.

The mine closure provision increased by $0.2 million in 2023 (2022: $20.1 million decrease) and now stands at $17.5 million (2022: $16.6 million). This movement was due to a small increase in the closure cost estimates. Capital disposals amounted to $9.8 million (2022: $18.0 million), principally relating to HME and mine infrastructure.

The Group conducted an impairment review of property, plant, and equipment at year-end and the key assumptions of this review are set out in Note 11 of the financial statements. No impairment provision is required as a result of this review.

Working capital was $214.4 million at year-end (2022: $172.9 million). The Group held higher working capital balances than usual at year-end as a result of higher inventories and increased shipments in Q4, which impacted receivables, none of which were discounted at year-end.

Inventory at year-end amounted to $99.3 million (2022: $84.2 million), consisting of intermediate and finished mineral products of $58.4 million (2022: $43.7 million) and consumables and spares of $40.9 million (2022: $40.5 million). Closing stock of finished products at the end of 2023 was 259,100 tonnes (2022: 213,500 tonnes). Closing stock of Heavy Mineral Concentrate (HMC) at the end of 2023 was 16,700 tonnes, compared with 18,800 tonnes at the start of the year. The increase in finished products inventory at year-end was largely due to the reduction in shipments in 2023 and the deferral of some shipments to January 2024, as a result of poor weather in December 2023.

Trade and other receivables amounted to $153.6 million (2022: $124.0 million), of which $127.4 million (2022: $105.0 million) was trade receivables from the sale of mineral products and $26.2 million (2022: $19.0 million) was comprised of prepayments and other miscellaneous debtors. The increase in trade receivables at year-end was mainly attributable to increased sales in Q4 2023; all receivables are current and no customer balances are considered credit impaired at 31 December 2023. In addition, while an expected credit loss of $0.04 million (2022: $1.1 million) was recognised during the year, the Group has never suffered a bad debt.

USc56.04
Dividend per share

Cash and cash equivalents decreased by $37.2 million (2022: increase of $39.2 million) during the year and at 31 December 2023 amounted to $71.0 million (2022: $108.3 million). Despite the decrease in cash and cash equivalents, the Group finished the year with net cash of $20.7 million (2022: 25.7 million).

Trade and other payables amounted to $38.6 million (2022: $35.3 million). Tax liabilities amounted to $6.9 million (2022: $8.9 million), reflecting the increased tax expense incurred during the year.

Principal debt repayments against the term loan amounted to $31.4 million during the year. At year-end, total debt of $47.9 million (2022: $78.6 million) was recognised by the Group.

Capital investments

The majority of Kenmare's capital investment during 2023 was incurred on preparations for the transition of WCP A to Nataka , which advanced from Pre-Feasibility Study (PFS) to Definitive Feasibility Study (DFS) stage. The Group also delivered a PFS on a potential upgrade of WCP B's capacity by over 40%. As part of the Nataka process, each element of the DFS is objectively calibrated against an industry database of projects of similar complexity and location to ensure costs and schedule estimates reflect all likely scenarios. Specific component costs are also validated against supplier costs estimates. In recent months a number of critical elements of the project have moved into execution phase, including the placement of orders for two new higher capacity dredges.

Read more about the market for Kenmare's products on page 30

FINANCIAL REVIEW CONTINUED

Read more about Kenmare's strategic pillars on page 26

Read more about Kenmare's operations on page 40

Read more about the capital projects on page 47

The Nataka project has been impacted by scope changes and capital cost increases between the PFS and DFS, with total costs now estimated at $326-341 million to the end of 2027. Kenmare has been actively planning for this funding requirement under a variety of scenarios and is confident that the necessary facilities and resources are in place to manage and monitor the financial obligations associated with the Nataka move, as well as the Group's other activities and investments. As part of this process a final investment decision on the WCP B upgrade has been deferred, although the DFS process is continuing.

Debt refinancing

On 4 March 2024, the Group entered into a new $200 million Revolving Credit Facility with its existing lenders Absa Bank, Nedbank, Rand Merchant Bank and Standard Bank. This funding supports Kenmare's planned capital programme in the coming years and removes the amortising payments of the existing term loan, whilst increasing the size of available facilities and extending the maturity profile from 2025 to 2029. The new facilities continue the Group's strong relationship with existing lenders and provide enhanced financial flexibility through the revolving credit structure and committed five-year term.

Accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union; therefore, the Group financial statements comply with Article 4 of the IAS Regulation. The parent company financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The Group and parent financial statements have also been prepared in compliance with the Irish Companies Act 2014.

The Group's material accounting policies and details of the significant accounting judgements and critical accounting estimates are disclosed in Note 1 to the Group's financial statements.

Financial outlook

Looking ahead, while macroeconomic uncertainty is impacting demand, as is a slower Chinese economy, Kenmare has strong relationships with its customers and the long-term fundamentals of Kenmare's products remain strong.

To support operational and financial delivery in 2024, Kenmare has prepared a mine plan focused on delivery of a consistent flow of material to the MSP to support contracted and anticipated customer demand throughout the year. In addition, during 2023 Kenmare funded the refurbishment of the Nampula statcom in the Electricidade de Moçambique network. This was commissioned in Q4 2023 and is expected to provide increased stability in the regional power grid. Longer term, the Nataka ore zone represents the majority of Moma's Mineral Resources and transitioning to this area is key to securing future production. Kenmare is focused on active cost control of the project and optimising the scope, design and execution as far as possible. Funding has been put in place with the support of Kenmare's existing lender group to meet the capital requirement over the full period of investment, whilst maintaining strong cash balances and overall financial flexibility.

Over $250 million has been returned to shareholders since 2019 via a combination of dividends and share buy-backs, including the 2023 final dividend, and the Group recognises the importance of consistently delivering shareholder returns during the current period of increased investment. Kenmare is confident that through the combination of existing cash resources, its newly-arranged debt facilities, and organic cashflows, it is well-placed to continue to execute its strategy successfully over the coming years.

Tom Hickey
FINANCIAL DIRECTOR

WCP A is due to complete its mine path in Namalope in late 2025 and then it will transition to the Nataka ore zone. The estimated capital cost of this project is $326-341 million to the end of 2027. Nataka is the largest ore zone in Moma's portfolio and transitioning to this area is key to securing production for decades to come.

2023 ESG SCORECARD PERFORMANCE

KENMARE'S APPROACH TO SUSTAINABILITY AIMS TO BALANCE THE NEEDS OF ITS HOST COMMUNITIES, ENVIRONMENTAL CONSERVATION, AND ECONOMIC RETURNS.

Kenmare measures progress against this strategy via its Environmental, Social and Governance (ESG) Scorecard, which forms part of both staff and Executive incentive schemes. Kenmare's performance against its 2023 ESG Key Performance Indicators (KPIs) is summarised below. The ESG KPIs which form part of the Director's annual bonus award and which you can read about on pages 132 and 133, scored 15% out of the maximum of 25%. Kenmare's 2024 and 2025 targets are set out together with its sustainability strategy on pages 60 and 61.

	2023 target	2023 performance	Target status
Safe and engaged workforce	**Workforce safety** ▸ 20% Lost Time Injury Frequency Rate (LTIFR) reduction relative to three-year average ▸ 10% All Injury Frequency Rate (AIFR) reduction against three-year average	▸ 25% increase in LTIFR to 0.15 against three-year average ▸ 17% decrease to 1.24 against three-year average	✗ ✓
	Malaria prevention ▸ Complete Knowledge Attitude and Practice (KAP) Survey and define new Malaria Action Plan	KAP Survey commenced in September 2023 and will be completed Q2 2024. Recommendations will be implemented from Q3 2024	✗
	Gender diversity ▸ 15.5% female representation at the Moma Mine (2022: 14.5%)	16% female representation at the Moma Mine	✓
Thriving communities	**Local procurement** ▸ 3% increase in local procurement (operating expenditure excluding electricity and diesel) ▸ Additional four contracts signed with local suppliers	▸ 3.2% increase in local procurement ▸ Six contracts with local suppliers signed	✓ ✓
	KMAD ▸ Delivery of second year of KMAD three-year plan	74% of targets from KMAD's three-year plan delivered	✓
	Socio-economic ▸ Businesses on track to repay loans within loan period ▸ Pupil literacy and numeracy rates ▸ Water quality in community villages	▸ Loan repayments at 27%, behind target of 40% ▸ Educational improvement project suspended, due to restart in February ▸ Water treatment trials successfully completed at three villages	→

KEY

✓ Achieved / Good progress ✗ Limited progress → In progress

	2023 target	2023 performance	Target status
A healthy natural environment	**Climate / decarbonisation** ▸ On track to deliver 12% emissions reduction by 2024, by achieving 9% in 2023 with plan for additional 3% in 2024	▸ 14% annual reduction in Scope 1 emissions achieved. Diesel consumption is forecast to increase in 2024, however, mitigation programmes were initiated in 2023 to ensure the 12% emissions reduction, relative to the 2021 baseline is delivered	✓
	Land management ▸ Expand agro-forestry ▸ Establish Pilivili forest	▸ 12.5 ha of agroforestry established ▸ 20 ha of indigenous trees planted	✓
	Rehabilitation ▸ 175 ha of post-mined land rehabilitated	187 ha of post-mined land rehabilitated	✓
	Biodiversity management ▸ Icuria forest designated as conservation area ▸ Apply for Pilivili dunal area to have conservation status	▸ Memorandum of Understanding signed with Primeiras and Segundas Archipelagos Protected Area Management Committee (APAIPS) to work towards official designation	→
	Water stewardship ▸ Maintain 90% water re-use	90% water re-use maintained	✓
	Tailings management ▸ Set up project plan for Global Industry Standard for Tailings Management (GISTM) by end 2024	On track for alignment with GISTM by year-end 2024	✓
Trusted business	**Supply chain due diligence** ▸ 80% compliance of target suppliers with Kenmare's Supplier Code of Conduct	▸ 84% compliance achieved	✓

SUSTAINABILITY STRATEGY

KENMARE AIMS TO ACHIEVE A BALANCE BETWEEN THE NEEDS OF MOMA'S HOST COMMUNITIES, CONSERVING THE ENVIRONMENT, AND GENERATING ECONOMIC RETURNS. KENMARE WORKS TO DELIVER VALUE TO ALL STAKEHOLDERS BY STRIVING TOWARDS THE MISSIONS OUTLINED IN EACH OF ITS FOUR STRATEGIC SUSTAINABILITY PILLARS.

Kenmare's sustainability strategy builds on the Company's track record of sustainable development during its 17-year production history. The Company's medium-term targets for 2025, set in 2021, are now near-term targets. Therefore, these will be updated in 2024 with medium-term targets for 2030. Kenmare's sustainability strategy considers the major macro and national sustainability themes that are likely to both influence Kenmare's operations and provide either risks or opportunities that the business needs to consider, including:

- The global focus and urgent need to tackle climate change and reverse the loss of biodiversity
- A young, aspiring and growing Mozambican population, and the resulting impact on existing socio-economic issues
- The increasing focus on due diligence of sustainability impacts in the supply chain and wider value chain.

"Kenmare regularly engages with its stakeholders at all levels of the business. Kenmare's Board met with a women's community group during a site visit in December."

REGINA MACUACUA, DEPUTY COUNTRY MANAGER

Safe and engaged workforce

Mission

To sustain a safe, healthy and engaged workforce.

Overview

Protecting the safety of Kenmare's employees, suppliers and contractors is of the utmost importance to the Company. Kenmare takes a proactive approach to managing safety, identifying and mitigating major risks, and sharing lessons to continuously improve performance. The Company's ability to attract, retain and motivate a diverse, high calibre, and localised workforce is at the heart of its success and sustainability as a business.

Material issues

- Health and safety
- Security
- Diversity and inclusion
- Labour practices

2024 targets

- Reduce Lost Time Injury Frequency Rate (LTIFR)
- Reduce malaria cases per hours worked
- Complete malaria vector control study
- Increase percentage of women in Moma workforce to 17.5%

2025 targets

- Measurably reduce malaria
- Increase percentage of women in Moma workforce to 20%
- Maintain engaged workforce, as measured by survey and <3% voluntary staff turnover
- Ensure 95% of employees have a development plan and know what they need to do to ready themselves for their next role with the Company

Thriving communities

Mission
To increase the prosperity of Kenmare's host communities.

Overview
Kenmare is privileged to be able to use the Moma Mine's presence to support the economic and social prosperity of local communities. The Company seeks to operate in a safe, inclusive, and transparent way and engage openly with communities directly or indirectly affected by Kenmare's mining operations. The Company is committed to listening to communities' concerns and priorities, and constructively resolving any differences in a transparent manner.

Material issues
- Socio-economic development
- Land use
- Community relationships

2024 targets
- Deliver 3% increase in local procurement
- Establish framework for micro-businesses to provide services to Kenmare and establish one new business

2025 targets
- Increase procurement with Mozambican suppliers
- Deliver meaningful improvement in:
  - Micro-loan repayments
  - Pupil literacy and numeracy
  - Water quality at community boreholes
- Deliver progress against relevant Sustainable Development Goals

A healthy natural environment

Mission
To create and sustain a positive environmental legacy.

Overview
Kenmare focuses on reducing Greenhouse Gas emissions from its operations, ensuring the business is resilient to climate-related risks, and can capitalise on opportunities related to the transition to a low-carbon economy.

Minimising or mitigating the impacts of the Company's mining operations on the environment and biodiversity includes a progressive rehabilitation programme, water stewardship, and minimising waste to landfill.

Material issues
- Climate
- Energy use
- Water stewardship
- Rehabilitation
- Biodiversity
- Tailings storage
- Waste
- Radiation

2024 targets
- Deliver 12% emissions reduction (against 2021 boundary baseline) by 2024
- Prepare climate Corporate Sustainability Reporting Directive (CSRD) disclosures for Board approval

2025 targets
- Deliver progress against climate targets
- Support designation and protection of Icuria forest as a sustainable community forest
- Ensure balanced post-mining land use programme providing food security and biodiversity
- Complete implementation of water re-use infrastructure. Ensure water accounting is in alignment with International Council on Mining and Metals guidelines
- Ensure no reportable tailings releases

Trusted business

Mission
To drive improved ethics and transparency in the business and supply chain.

Overview
Kenmare aims to be a trusted business and supports transparent disclosure, so the Company can be accountable for its actions and commitments. Employees recognise their personal and collective responsibility in upholding Kenmare's business integrity. The Company's high standards are set out in corporate policies and the laws and regulations of Ireland, the UK, and Mozambique. Kenmare works with suppliers to ensure high sustainability standards are upheld.

Material issues
- Business transparency
- Anti-bribery and corruption (ABC)
- Supply chain
- Compliance and audit

2024 targets
- >80% of international suppliers complying with Supplier Code of Conduct (CoC) from 2024 onwards
- >60% of Mozambican companies complying with Supplier CoC from 2024 onwards

2025 targets
- Undertake external risk assessment of ABC risks in business and supply chain
- Ensure on-site suppliers achieve an average of 85% compliance with Kenmare's Supplier CoC
- Gain external assurance of public security forces upholding the Voluntary Principles on Security and Human Rights

SAFE AND ENGAGED WORKFORCE

THE SAFETY OF ITS WORKFORCE IS THE PRIMARY CONCERN THAT DRIVES KENMARE'S DAY-TO-DAY DECISION MAKING AND WORK.

2023 achievements

- 17% reduction in All Injury Frequency Rate relative to the three-year rolling average
- 51% decrease in malaria cases compared to 2022
- Mozambican operations certified to NOSA standard, aligned to ISO 45001 International Standard
- Five star NOSA rating achieved for eighth consecutive year
- Audits reported no major safety concerns
- 100% of senior management completed the Full Role Delivery programme
- Localisation rate (percentage of Mozambican employees) at 97% exceeds regulatory compliance
- Female representation in Mine employees reached 16% (2022: 14.5%)
- The impact of the Security strategy was reflected in a 21% reduction in criminal activity relative to 2022

97%
Mozambican employees at Moma

Material topics

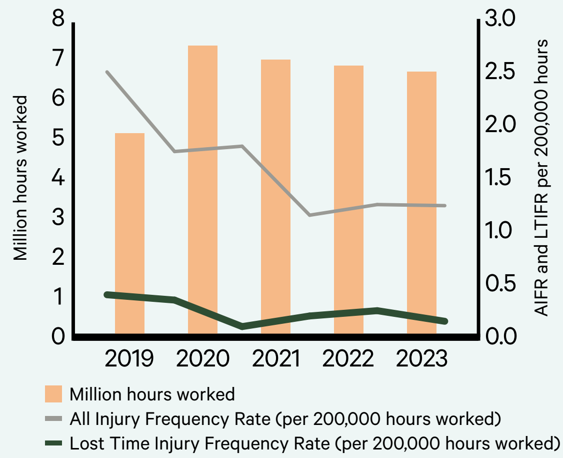
- Health and safety
- Security
- Diversity and inclusion
- Labour practices

Stakeholders

- Employees
- Suppliers
- Communities
- Investors

Sustainable Development Goals

Safety performance



Health and safety

Kenmare's leadership aims to ensure each employee and contractor returns home safely at the end of each shift and the Company's top priority is to strive for a "zero harm" working environment. Kenmare's LTIFR increased to 0.15 following two years of industry-leading performance. This was a 25% increase relative to the Company's three-year rolling average. While none of the Lost Time Injuries (LTIs) sustained were serious or life threatening, they pointed to insufficient focus being placed on risk management by leaders. To address this, the site management team recommitted themselves to showing authentic and courageous leadership of health and safety, with a strict focus on planning and increasing the time dedicated to on-site training and coaching. The efforts of leaders, employees and contractors meant valuable lessons were learned, and the year ended with a successful reversal in the LTIFR trend, and with two million hours worked without an LTI.

Malaria

In Mozambique, malaria accounts for 29% of all deaths and 42% of deaths in children under five years of age. The Moma Mine is situated in a malaria endemic region and it is one of the biggest health risks Kenmare has to manage. In 2023, the Company achieved a 51% reduction in cases of malaria compared to 2022. This significant improvement is the result of comprehensive prevention and control measures, including on-going educational campaigns and regular distribution of malaria prevention tools to employees, including repellents and mosquito nets. All visitors to the Mine are required to take prophylaxis and contractors conduct indoor and outdoor spatial and residual spraying (fogging and UVL) and Larval Source Management. In 2023, Kenmare continued its partnership with Centro de Investigação em Saúde de Manhiça (CISM), a Mozambican Government medical research institute on its Vector Control study, the results of which are expected in 2024.

Security

In 2023, the number of security incidents decreased by over 21% year-on-year. The potential threat of violent crime against Kenmare's workforce was assessed as zero. The security team prevented 17% of potential thefts and recovered 15% of stolen items. An on-going area of focus is to convert arrests into criminal prosecutions and jail sentences.

40%
Women in site leadership

Diversity and inclusion

Women employed at the Mine now represent close to 16% of Moma's workforce, a fourfold increase over eight years. Some of this growth has been achieved through a larger workforce, but much through concerted efforts and programmes focused on hiring, developing, advancing, and retaining Kenmare's female talent. For example, Kenmare has a target of 90% of Technical Development Department candidates to be women. The Company is proud that more talented women joined the site senior management team at Moma in 2023, bringing female representation in that group to 40% (2022: 25%). Female representation on the Board remained at 33% and 18% on the Executive Committee.

Labour practices

Employees are paid a living wage and in 2023, the minimum standard wage for an entry-level position at Kenmare continued to be more than double that set by the Government of Mozambique. The Company includes maximum working hours in its conditions of employment and relevant procedures and adheres to relevant employment laws. Kenmare respects the right of all employees to freedom of association and the right to collective bargaining without interference, and freedom from discrimination. Almost half of the Company's Mozambican workforce are members of the trade union, SINTICIM and during 2023, Kenmare enjoyed positive labour relations with no industrial actions or disputes.

$1.2m
Invested in training in 2023

Training and development

Investing in training and development is key to equipping Kenmare's people with the skills and knowledge they need. In 2023, the Company invested $1.2 million to provide 75,000 hours of training for its employees, providing approximately 45 hours of training per person, with an annual training cost of $735 per employee.

Topuito Technical College graduate

To improve opportunities for women in the Mine's host communities to study for a qualification, KMAD built a Technical Training College in Topuito, which provides three-year vocational courses in mechanical and civil construction or industrial electronics. In 2023, its fifth year of operation, the college had a total of 224 students enrolled, 34% of whom were young women. Kenmare has sponsored a total of 105 female students to date and, at the end of 2023, the first intake of 55 students graduated from their three-year courses. Inês Domingos Manuel is one of 23 female students studying civil engineering at the Topuito Technical College, who received a bursary from the Kenmare Moma Development Association (KMAD). The bursary covers the course fees, books and equipment, and support for living costs. After Inês graduated in December 2023, she joined Kenmare's Technical Development Programme as an intern and now works as a boilermaker. She aspires to advance to a senior position within the maintenance department.

THRIVING COMMUNITIES

KENMARE WORKS TO INCREASE THE PROSPERITY AND WELL-BEING OF THE COMMUNITIES THAT LIVE IN AND AROUND THE MOMA MINE.

2023 achievements

- 23 female students sponsored by the Kenmare Moma Development Association (KMAD) graduated with engineering qualifications from the KMAD-built Topuito Technical College
- Contract signed for a new district hospital - construction expected to begin in 2024
- More than 11,800 children now learn in improved school infrastructure, due to the construction of an additional six school blocks
- Three water supply systems were built or restored in 2023, adding to the 30 boreholes KMAD has built since 2004, supplying clean water to approximately 45,000 people

Material topics

- Community relationships
- Socio-economic development
- Land use

Stakeholders

- Communities
- Government
- Suppliers
- Employees
- Investors

Sustainable Development Goal

Community relationships

Kenmare engages proactively with communities and local authorities on the Environmental, Social and Health Impact Assessments associated with the future mine path, and any resulting resettlement action plans. Six local working groups, spread across 15 project-affected communities, met bi-monthly in 2023 to monitor and discuss issues relating to resettlement, compensation, and grievance management. The key issues discussed related to outdated government crop compensation rates, which Kenmare has been working to get updated for the past few years, and the allocation of alternative farmland for communities impacted by the Isoa Tailings Storage Facility.

$79m
Spent with Mozambican suppliers

Socio-economic development

KMAD is a not-for-profit development association that was established by Kenmare in 2004. Its purpose is to invest in projects that go above and beyond the Company's regulatory commitments under the Mozambican Resettlement Action Plan laws. KMAD has four strategic focus areas: education, health, livelihoods and economic development, and water and sanitation. KMAD invested $4.7 million in projects in 2023 (2022: $3 million). By the end of 2023, KMAD had completed 74% of the goals in its three-year strategic plan, which spans 2022-2024.

Local procurement

In addition to KMAD's efforts, Kenmare works to build the capacity of local suppliers through training courses and sponsorship. Kenmare increased the proportion of operating expenditure with local suppliers by 3% in 2023 to $79 million, excluding diesel and electricity costs (2022: $76.5 million). Six new contracts for electrical services, healthcare services, pest control and employee transportation were also signed with Mozambican businesses.

Livelihood and economic development

KMAD fosters the development of local businesses and transfers skills to key local industries such as farming. In 2023, 22 micro-businesses were established with interest-free loans (2022: 23), providing employment or an income to 385 people (2022: 341). KMAD continued to support farmers by teaching them Conservation Agriculture (CA) methods to improve agricultural productivity. In 2023, over 600 farmers took part in the project, of which 154 were new beneficiaries that started that year, farming an area close to 300 hectares.

Healthcare development

KMAD focuses on improving access to healthcare, through projects such as building medical centres and pharmacies, donating ambulances, developing the skills of medical staff, and supporting community health awareness initiatives. In 2023, a third health centre was constructed in the Mine's host communities. Quarterly mobile clinics continued to provide support to 113 vulnerable households. A Memorandum of Understanding for the building of a district hospital was signed with the Ministry of Health. Building designs were finalised, a contractor was appointed, and construction is expected to start in 2024.

22
Micro-businesses established

Educational development

Education is at the heart of KMAD's approach to sustainable development. In 2023, KMAD funded and constructed new school blocks in six villages and provided school materials to almost 12,000 pupils and close to 80 teachers in the Namalope and Pilivili areas. KMAD also supported the opening of a library in Pilivili by donating 170 books, as well as chairs and tables. On average 20 pupils are attending the library each day.

In 2023, KMAD supported 306 scholarships (2022: 250) for secondary school and university degree courses, including 32 scholarships for children from vulnerable households. Student pass rates at Topuito Secondary School and the Moma Secondary School were 92% and 100% respectively (2022: 95% and 95%).

Water and sanitation

In 2023, KMAD trialled a Government-approved water purification treatment, Certeza, in the village of Mulimuni. Treating the water allows communities to drink the water without boiling it and will help to reduce cases of diarrhoea and cholera. The trial was successful with high acceptance of the water treatment from community members. KMAD subsequently worked with the Government to roll out the treatment to two additional villages in 2023. KMAD will now support the roll out of Certeza to all communities within the mining concession.

3
Villages that successfully trialled water purification treatment

KMAD micro-loan for fishing equipment business

Antonio Luis Comida, 49 years old and a father of six, was born in Zambezia Province and has been a resident of Pilivili in Moma District for more than 30 years. He has been selling groceries in Pilivili since the late 1990s.

As part of the financing given to small businesses by KMAD, in 2020 Antonio, together with his brother, Jose, received a loan of $8,000 to expand his business to sell fishing material. He matched KMAD's funding with his own money. He successfully grew his business, which meant Antonio could repay the loan over 27 months and develop into new areas, such as the sale of household electrical goods, construction material, and move into the production of salt. Antonio's next plan is to buy a vehicle to help his business expand.

As a result, Antonio has a monthly income of $12,000, which has helped him to build a house in Nampula and pay for the professional training for his daughter and niece, who today are teachers.

A HEALTHY NATURAL ENVIRONMENT

KENMARE IS COMMITTED TO BEING A RESPONSIBLE CUSTODIAN OF THE LAND IT MINES AND MANAGING ITS IMPACTS ON CLIMATE CHANGE, WATER, WASTE AND BIODIVERSITY.

2023 achievements

- 14% year-on-year reduction of Scope 1 carbon emissions
- High water re-use rate of 90% maintained
- Land rehabilitation trials conducted, adding “slimes” to post-mined land to improve agricultural productivity
- Mozambican operations certified to the National Occupational Safety Association (NOSA) standard, aligned to ISO 14001 standard
- A Biodiversity Offset Management Plan to deliver 15% Net Gain in biodiversity is under development
- Alignment with Global Industry Standards for Tailings Management (GISTM) in progress

Climate

In 2023, Kenmare continued to work on a Climate Transition Plan that aims to deliver the rate and pace of decarbonisation required by scientific consensus to limit average global temperature increase to 1.5°C. The Company uses 100% hydroelectric grid electrical power, which makes up 54% of its overall power consumption, presenting a challenge for further decarbonisation.

As part of its annual risk review process and through the climate updates to the Sustainability Committee, the climate risks facing operations and business model were considered by management and the Board. In line with Task Force on Climate-related Financial Disclosure (TCFD) recommendations, Kenmare assessed the impact of physical risks on operations under a “business-as-usual” scenario, leading to higher warming and more extreme weather, as well as transition risks to the business model under a rapid decarbonisation scenario. While the time horizons of 2030 and 2050 are considered, the Company uses a short timeframe (seven years) aligned to the Company’s operational and financial planning timeframes.

Cyclones remain the Company’s most significant physical risk. Extreme weather events have been a principal risk of the Company since 2009 and Kenmare has robust mitigation controls, including emergency preparedness plans to increase the resilience of its people, operations, and communities in the event of extreme weather. Risk mitigation controls are also summarised on page 80 in the Principal Risks section. Other physical risks include storm surges, flooding, and extreme heat. The key transition risk Kenmare faces is growing regulatory requirements and investor expectations on climate mitigation. Decarbonising operations at a pace aligned to what scientific consensus requires is reliant upon the availability of commercially and economically viable solutions.

Material topics

- Climate
- Energy use
- Waste
- Biodiversity
- Radiation
- Tailings storage
- Rehabilitation
- Water stewardship

Stakeholders

- Employees
- Communities
- Government and regulators
- Shareholders
- Suppliers, contractors and customers

Sustainable Development Goals

13 CLIMATE ACTION

15 LIFE ON LAND

The key decarbonisation projects that Kenmare is currently progressing is the integration of biodiesel into its operations and the electrification of its diesel-powered driers. Both are in the piloting or study phase but will be progressed further in 2024. The transition to the low-carbon economy also presents opportunities to market Kenmare’s relatively low-carbon products to climate-conscious customers; reduce operational costs through increasing energy efficiency; and a small but growing demand for titanium minerals products in low carbon technologies. Nascent scientific studies are also exploring the conversion of methane, a potent Greenhouse Gas, into carbon dioxide, which has a much lower global warming potential using the photocatalytic capability of titanium dioxide. This technology is already in use as a film covering high-rise glass buildings, due to its self-cleaning capabilities.

14%
Reduction in Scope 1 emissions

Climate change risks and opportunities

CLIMATE CHANGE-RELATED RISKS	TIMEFRAME SHORT (1-2 YRS)	TIMEFRAME MEDIUM (2-5 YRS)	TIMEFRAME LONG (5-10 YRS)	SCENARIO SENSITIVITY LOW CARBON	SCENARIO SENSITIVITY BUSINESS AS USUAL
Physical risks					
Cyclones	▬	▬	▬ •	•••	••••
Storm surges	▬	▬	▬ •	•••	••••
Flooding	▬	▬ •	▬	••	••
Extreme heat			▬ •	••	•••
Transition risks					
Investor expectations on decarbonisation			▬ •	••••	•••
Net impact of climate regulations (carbon pricing etc)			▬ •	••••	•••
Climate change-related opportunities					
Energy transition positively impacting titanium demand			▬ •	••	•
Demand for lower carbon products			▬ •	••	•

KEY

High likelihood

••••• / •••• / ••• / •• / •

Low likelihood

Anticipated onset of risk or opportunity.

▬

Estimated full impact of risk or opportunity

•

Climate and energy strategy

Kenmare will publish its first detailed Climate Transition Strategy in 2024. During 2023, Kenmare has been focused on both delivering the short-term emissions reduction target of 12% by 2024 (relative to a 2021 baseline) and setting an ambitious but achievable target for 2030, to pave the way to Net Zero Scope 1 and 2 emissions by 2040. This work will continue in 2024. Kenmare's Climate and Energy Strategy, set out below, was approved by the Board in early 2023.

Strategic goals

Energy security

OBJECTIVE

- To secure stable, reliable, consistently high quality, cost effective, low carbon, electrical and fuel supplies

PLANNED ACTIONS

- Undertake investigations for alternative power sources, including upgrades/additional lines connecting to the Mozambican power grid
- Set energy efficiency targets

Decarbonising operations

OBJECTIVE

- To invest in technologies that increase efficiency and reduce usage of fossil fuels
- To explore low carbon, economically viable technologies to displace diesel
- To achieve sustainable cost and efficiency improvements in energy use
- To restore land-based carbon and biodiversity as offsets, to deliver a net positive impact

PLANNED ACTIONS

- Deliver 12% carbon reduction target by 2024
- Maintain high level of water re-use (90%)
- Undertake biofuels pilot
- Undertake concept study for electrification of dryers in Mineral Separation Plant
- Capital approved to increase dredge capacity at Wet Concentrator Plant A (WCP) A, enabling the Company to cease dry mining, which is diesel-powered

Adaptation

OBJECTIVE

- To enhance resilience of operations to physical climate risks
- To help communities adapt to, and mitigate, physical climate-related impacts

PLANNED ACTIONS

- Upgrade infrastructure to become more cyclone resilient
- Provide cargo nets to cover critical buildings and community infrastructure to provide protection during severe weather events
- Improve use of transshipment fleet
- Increase number of cyclone-proof key community buildings

A HEALTHY NATURAL ENVIRONMENT CONTINUED

2023 performance

Kenmare's direct emissions for 2023 were 57,141 tCO_2e, a 14% decrease from the prior year (2022: 66,519 tCO_2e). This was largely a result of the Rotary Uninterruptible Power Supply (RUPS), which operated for a full year in 2023, significantly contributing to power stability and reducing the use of diesel generators to provide back-up power in stormy months. On-going efficiencies in the Mineral Separation Plant and a 9% decrease in production were other drivers. Diesel consumption was 13.5% lower in 2023 at 19.9 million litres (2022: 23 million litres of diesel). Carbon intensity, at 0.0524 tCO_2e per tonne of mined product, decreased by 5% compared to the prior year (2022: 0.0554 tCO_2e).

Kenmare's imported grid electrical power represented zero tCO_2e market-based emissions (2022: 0 tCO_2e) and 16,571 tCO_2e location-based emissions (2022: 16,337 tCO_2e). Kenmare's grid electrical power comes from Electricidade de Moçambique (EdM), Mozambique's national energy company, which sources most of its power from Hidroelectrica de Cahora Bassa's (HCB) hydroelectric dam. EdM confirms annually that the grid electrical power it supplies to Kenmare is 100% hydroelectric. Energy efficiency improved by 3% in 2023 to 0.0113 MWh/ton of excavated ore.

Kenmare's most significant category of indirect or Scope 3 emissions is from the processing of products downstream. The emissions from this category are estimated at 3.8 million tCO_2e. In 2024, Kenmare will bring this category of emissions into its boundary, to align with draft sector guidance from the EU's Corporate Sustainability Reporting Directive and the International Council on Mining and Metals (ICMM) guidance on Scope 3 reporting. In 2023, indirect emissions, excluding the processing of products downstream, were 110,204 tCO_2e, which compared to 115,218 tCO_2e in 2022. The reduction was largely led by lower downstream transportation emissions from the shipment of products by customers to their processing sites.

Kenmare is working towards its target of a 12% reduction in Scope 1 emissions in 2024 against a 2021 baseline, however, diesel consumption is forecast to increase in the year ahead. The business is working to counter the impact of this increase with energy efficiency projects and other decarbonisation programmes getting underway.

SCOPE	CATEGORY	2021	2022	2023
Scope 1 (tonnes CO_2e)		70,445	66,519	**57,141**
Scope 2 (tonnes CO_2e)	Purchased electricity, market-based	-	-	**-**
Scope 2 (tonnes CO_2e)	Purchased electricity, location-based	14,504	16,337	**16,571**
Scope 3 (tonnes CO_2e)	Category 1: Purchased goods and services	6,066	9,608	**11,554**
	Category 2: Capital goods	-	1,865	**655**
	Category 3: Fuel- and energy-related emissions	-	-	**12,511**
	Category 4: Upstream transportation emissions	35,868	34,041	**34,510**
	Category 5: Waste generated in operations	12	18	**33**
	Category 6: Business travel	117	1,008	**1,317**
	Category 7: Employee commuting	2,110	2,035	**2,278**
	Category 9: Downstream transportation emissions	79,953	66,644	**47,346**
Total Scope 3 (tonnes CO_2e)		124,126	115,218	**110,204**
Total Scopes 1, 2 and 3	Scope 2 - Market-based	194,571	181,737	**167,345**
	Scope 2 - Location-based	209,075	198,074	**183,916**
Emissions intensity				
	Revenue (Scope 1 tCO_2e per 1,000 USD)	0.1675	0.1335	**0.1240**
	Production (Scope 1 tCO_2e per tonne of ore excavated)	0.00179	0.00166	**0.00148**
	Production (Scope 1 tCO_2e per tonne of finished product)	0.0573	0.0554	**0.0524**

>600
Farmers using Conservation Agriculture techniques

Climate adaptation

Kenmare is working to improve the resilience of the Mine's host communities to extreme weather events as a result of climate change. Kenmare helps repair storm-damaged community infrastructure in line with Government guidelines, which requires structures to be resilient to Category 4 cyclones. Most villages now have a place to take shelter and stay safe during a cyclone event. In addition, KMAD sponsors a Conservation Agriculture (CA) programme, which benefits over 600 community farmers. CA teaches farmers to improve the yields from their crops and better protect their farms from drought, flooding, and disease.

Energy

Kenmare is fortunate to operate in a country with abundant, renewable, hydroelectric power. Early in the Company's operations, it invested in building 170 km of overhead power cables between Moma and Nampula to link the Mine to power from the Cahora Bassa Dam (CBD) supplied by EdM. This clean energy source represented over 90% of Kenmare's overall electrical energy consumption in 2023 and 54% of the operation's total energy consumption. Kenmare's operations will require more power in the medium term. A new 400kV power line from Chimuara to Alto Molocue and then Nampula was constructed in 2023 and is due to come online in 2024. This will increase the power capacity to the Mine. Additionally, the Company is studying the most effective method to increase transmission capacity from Nampula to Moma using reactive compensation devices to meet the Company's growing energy demands as it moves to the mining the Nataka ore zone. In the short term, to insure against power outages caused by lightening or other extreme weather, the Company has capacity from diesel generators to generate power on site.

Improving post-mined land for agricultural productivity

Kenmare continuously seeks ways to improve the soil quality of post-mined land. Previous trials have proven that fine clay sands, known as "slimes", retain moisture, helping crops and trees survive the long dry season. In 2023, varying volumes and ways of applying slimes were tested in a trial near the village of Mulimuni. In this trial, over 20 plots were established, testing five different methods of integrating slimes. One approach involved the mechanical spreading of one to three layers of slimes, with the material being furrowed into the ground with a plough after each application. The manual spreading of slimes in lines and in 30cm deep holes is also being trialled. Each of the plots will be compared to the control plot, which has no slimes. Over six different food crops were planted between lines of indigenous trees in an agroforestry design. Plant growth and survival rates are being monitored and the weight of harvested crops will inform the most effective applications of slimes.

ENERGY CONSUMPTION BY SOURCE (MWH)	2021	2022	2023
Total diesel consumption (direct)	242,775	231,467	**197,797**
Petrol	489	374	**376**
Liquified petroleum gas (LPG)	489	530	**413**
Total non-renewable energy	243,753	232,372	**198,585**
EdM (grid) energy	207,719	233,923	**237,293**
Dublin (grid) energy	17	27	**25**
Total renewable energy	207,736	233,950	**237,318**
Total energy	451,489	466,322	**435,903**
% of renewable energy	46%	50%	**54%**

INTENSITY MEASURES	2021	2022	2023
Revenue (MWh per 1,000 USD)	1.0736	0.9358	**0.9458**
Excavation (MWh per tonne of ore excavated)	0.0115	0.0116	**0.0113**
Production (MWh per tonne of finished product)	0.3675	0.3884	**0.3994**

Addressing the Task Force on Climate-related Financial Disclosures (TCFD) recommendations

Climate-related disclosures on governance, strategy and risk management, as well as metrics and targets, are integrated into this report, as set out below. Information in the 2021 Climate Change Report and 2023 Sustainability Report supplements these disclosures and is available at www.kenmareresources.com. Together, these reports are consistent with the four thematic areas, 11 recommended disclosures and "Guidance for All Sectors" set out in the October 2021 "Implementing the Recommendations of the Task Force on Climate-Related Financial Disclosures". To aid readers, the key climate-related disclosures can be found here:

GOVERNANCE	LOCATION	
Describe the Board's oversight of climate-related risks and opportunities.	2023 ANNUAL REPORT Board skills matrix – page 90 Board of Directors – page 92 Governance framework – page 96 Board activities in 2023 – page 99 Areas of focus in 2023 – pages 101	2023 SUSTAINABILITY REPORT Sustainability governance – page 58
Describe management's role in assessing and managing climate-related risks and opportunities.	2023 ANNUAL REPORT Financial review – page 52 Climate risk – page 66	2023 SUSTAINABILITY REPORT Kenmare management – page 59
STRATEGY	**LOCATION**	
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	2023 ANNUAL REPORT Sustainability strategy – page 60 Climate change risks and opportunities – page 67 Climate and energy strategy – page 67	
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	2023 ANNUAL REPORT Accounting for climate – page 159	
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	2023 ANNUAL REPORT Climate and energy – page 67 Climate risk – page 67	2021 CLIMATE STRATEGY REPORT Physical risk analysis – page 13 Transition risk analysis – page 16
RISK MANAGEMENT	**LOCATION**	
Describe the organisation's processes for identifying and assessing climate-related risks.	2023 ANNUAL REPORT Climate risk – page 80 Principal risks – page 80	
Describe the organisation's processes for managing climate-related risks.	2023 ANNUAL REPORT Principal risks – page 78	
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	2023 ANNUAL REPORT Principal risks – page 78	
METRICS AND TARGETS	**LOCATION**	
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	2023 ANNUAL REPORT Key performance indicators – page 36	2021 CLIMATE STRATEGY REPORT Physical and transition metrics – page 19
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 Greenhouse Gas (GHG) emissions and the related risks.	2023 ANNUAL REPORT GHG emissions – page 68 Energy consumption by source – page 69	
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	2023 ANNUAL REPORT ESG Scorecard performance – page 59 Climate and energy strategy – page 67	

Rehabilitation

In 2023, 187 hectares (ha) of land were rehabilitated, 12 ha above the target of 175 ha. To restore the biodiversity lost through the mining process, close to 151,000 indigenous trees were planted (2022: 73,000). Kenmare will engage with its host communities over the long-term on the value of biodiversity, as historically many planted indigenous trees were removed to make space for machambas or farm smallholdings. Additionally, to provide a source of wood for fires and building, and to stabilise dunes, Kenmare planted 53,000 casuarinas (2022: 83,000), a fast growing, nitrogen-fixing hard wood tree, which survives well in sandy soils.

Biodiversity

The Mozambican Government introduced a Biodiversity Offset Diploma in 2022, which introduces the requirement for projects such as the Moma Mine to demonstrate No Net Loss or 15% Net Gain, depending on whether the project impacts critical habitats, ecosystems, or endangered species. In 2023, Kenmare appointed consultants to help develop a Biodiversity Offset Management Plan, due for submission in the first half of 2024 to the Ministry of Land and Environment (MITA).

In 2023, Kenmare and the Primeiras and Segundas Archipelagos Protected Area Management Committee (APAIPS), continued work to establish the Icuria forest as a Sanctuary, in order to protect the Icuria Dunensis species, which is identified as Endangered by the International Union for Conservation of Nature (IUCN). In 2023, Kenmare and APAIPS continued this on-going application to the National Conservation Agency (ANAC).

Tailings storage

In 2023, Kenmare continued its work to align its tailings facilities and management process with the Global Industry Standard on Tailings Management (GISTM), which promotes the principles of sustainable and responsible management of tailings storage facilities, across the mining industry. The global standard requires adherence to its 15 principles, encompassing social, design, technical, operational, management and closure. As part of the implementation of GISTM, a gap analysis of current practices was completed by an independent reviewer. A roadmap has been drawn up, which sets out the key milestones to be completed by the end of 2024 to achieve GISTM alignment.

In 2023, the Company achieved a significant milestone by defining clear governance roles and responsibilities, including the appointment of an Accountable Executive and Engineer of Record for Tailings Storage Facility (TSF) safety. This transparent structure fosters accountability and facilitates efficient decision making.

Waste

All non-hazardous waste is dealt with either by being sent to landfill or by being packaged for recycling. All hazardous waste is disposed of responsibly by third parties. In 2023, Kenmare generated 300 tonnes of non-recyclable and organic waste and 70 tonnes of recyclable waste, of which almost 30 tonnes was sent offsite for recycling in Maputo.

Water stewardship

In 2023, the operations efficiency rate was 0.61 m^3 water withdrawn per tonne of excavated ore, a 5% decreased efficiency compared to (2022: 0.58 m^3/tonne of ore). This reduced efficiency is attributed to additional slimes management at Wet Concentrator Plant (WCP) A and WCP C, an extended pond size at WCP B, offpath slimes deposition, and increased use of tail stackers. Water abstraction for Kenmare's Namalope and Pilivili operations was in line with regulatory water withdrawal limits. In 2023, 90% of the total mine water used (214,420 ML) was recycled or reused.

Neither the mining nor processing operations at Moma use toxic chemicals. Therefore, operational water losses through seepage, where water returns to the underlying aquifers and adjacent surface water systems as baseflow, do not affect the ambient groundwater and surface water quality. Using the WRI Aqueduct™ tool, all the water extracted for the Moma Mine is in an area identified as low baseline water stress. Projections as far out as 2040 indicate a similar low water stress. Nevertheless, Kenmare is committed to responsible use and efficient management of water.

Water performance

WATER WITHDRAWN
Volume in Megalitres
23,553 ML

SURFACE WATER 7,624 ML
SEAWATER 0 ML
GROUNDWATER 15,929 ML
OTHER WATER 0 ML

TOTAL WATER VOLUME USED
237,973 ML
WATER REUSED/RECYCLED
90.1%

WATER DISCHARGED
Volume in Megalitres
15,262 ML

SURFACE WATER 0 ML
SEAWATER 0 ML
GROUNDWATER 13,719 ML
OTHER WATER (EVAPORATION) 1,543 ML

TRUSTED BUSINESS

KENMARE'S PRINCIPLES, VALUES, AND STANDARDS GUIDE HOW EMPLOYEES PERFORM THEIR WORK AND HELP THE COMPANY UPHOLD THE HIGHEST POSSIBLE ETHICAL STANDARDS.

2023 achievements

- $43.6 million in payments to the Mozambican Government (2022: $29.5 million)
- 290 members of public security forces trained in the Voluntary Principles on Security and Human Rights
- 100% of on-site suppliers audited against Kenmare Supplier Code of Conduct
- The Company achieved 15% out of 25% performance on ESG Scorecard linked to Executive Remuneration

Sustainability and safety are integrated into all levels of the business, with key objectives outlined in the Company's policies, standards, strategies, business, and incentive plans. The Board's Sustainability Committee plays a key role in monitoring this work. It meets four times a year and conducts in-depth discussions on the strategies for mitigating Kenmare's top safety and sustainability risks, progress on internal metrics and public targets, and plans to continuously improve the Company's performance.

Business transparency

Kenmare has governance and controls in place to ensure the Company's policies and standards are upheld and that all work meets legal and regulatory requirements. The Company's commitment to ethical behaviour is outlined in its Business Ethics Policy and Moma employees undergo induction or annual refresher training on its requirements.

Kenmare subscribes to the Extractive Industries Transparency Initiative (EITI) and the Company reports on its annual tax and royalty payments. All payments disclosed have been made to national governments, either directly or through a ministry or department of the national government on a cash basis. Kenmare is also actively involved in the efforts of the Mozambique branch of the EITI to promote revenue transparency and accountability. For full details of Kenmare's EITI disclosures see the 2023 Sustainability Fact Book. Kenmare maintains positive working relationships with Government stakeholders at national, regional, district and local levels. Kenmare does not make any form of political donation.

Anti-bribery and corruption

Kenmare has zero tolerance of bribery and corruption, and is committed to acting professionally, fairly and with integrity in all business dealings and relationships. In 2023, 58% of Kenmare employees completed annual online training on Kenmare's policies and expectations on Business Ethics, Anti-Bribery & Corruption, and Human Rights.

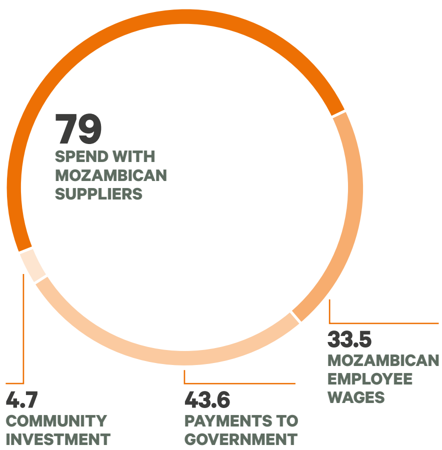
Material topics

- Business transparency
- Supply chain
- Anti-bribery and corruption
- Compliance and audit

Stakeholders

- Employees and unions
- Government and regulators
- Shareholders
- Suppliers, contractors and customers

ECONOMIC VALUE DISTRIBUTED, MOZAMBIQUE ($M)



84%
Suppliers aligned with Supplier Code of Conduct

Employees and contractors are encouraged to speak up if they observe behaviour that they believe does not meet Kenmare's ethical standards. In 2023, eight cases were reported via Safecall, the Company's independent whistleblowing line. One further case came to the Company's attention, so a total of nine cases were investigated. Three Safecall reports related to the same incident. Two cases related to concerns about corrupt activities and one case was substantiated, resulting in the blocking of the supplier's account. Another allegation found to be substantiated was related to contractor employees not receiving their wages. The seriousness of this issue was discussed with the contractor and Kenmare's expectation on the timely payment of fair wages was reinforced.

2023 ETHICS INVESTIGATIONS	TOTAL
New issues captured via a third-party whistleblowing mechanism	8
Total number of issues investigated	9
Total substantiated cases	4*

*3 of the cases related to the same issue

Protection of human rights

Kenmare is committed to upholding the human rights of all stakeholders and respecting human rights in its mining operations and supply chain. The Company's Human Rights policy sets out Kenmare's respect for internationally recognised human rights, including fundamental labour rights and international labour standards as set out in the Universal Declaration of Human Rights, and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. All new employees are provided with a copy of the Human Rights policy and undergo training on expectations in this area. Breaches of Human Rights or employment policies are treated seriously and may result in sanctions against the relevant personnel.

Sustainable supply chain

Kenmare has the dual objective of increasing the proportion of its Mozambican suppliers, whilst ensuring all suppliers meet its sustainability standards. The 2023 supplier sustainability audit showed an overall alignment score of 84%, compared to the 79% achieved in 2022, suggesting a positive impact from the on-going capacity building programmes. The audit revealed evidence of strong support for, and conformance to, Kenmare's policies as well as some areas for improvement. Gaps in some suppliers' approaches included: not adopting specific policies, such as Diversity and Inclusion, and not having sufficient anti-bribery controls in place. In some cases, the requirement for expansion of environmental programmes has not been met.

Ensuring public security forces uphold the Voluntary Principles

Kenmare has Memorandums of Understanding (MoUs) with the Provincial Police Command in Nampula and the Ministry of National Defence for the provision of police and naval security forces in and around the mining concession. Under these MoUs, Kenmare contributes to the financing of equipment and salaries of the security forces. The MoUs state that the public security forces providing security services to the Mine must uphold the Voluntary Principles on Security and Human Rights (VPSHR) and the United Nations Basic Principles Relating to the Use of Force and Firearms by the Law Enforcement Officials. In support of this, an internationally recognised, certified, and independent third party provides training on the implementation of the Voluntary Principles twice a year. These sessions consisted of two-day workshops involving the training of 290 public security personnel in 2023. The workshops covered: The Universal Declaration of Human Rights (1947); the International Covenant on Civil and Political Rights (1966); the International Convention on Economic, Social and Cultural Rights (1966); the International Labour Organisation Declaration on Fundamental Rights at Work (1998); as well as Kenmare case studies and shared learning examples.

TRUSTED BUSINESS CONTINUED

EU Taxonomy

On review of the EU Taxonomy Regulation (EU) 2020/852, Kenmare concludes that none of its economic activities in 2023 were taxonomy eligible. Kenmare continues to await the sector guidance for mining to determine whether the Company's products may be eligible and aligned under the Taxonomy Regulation.

Kenmare's products include titanium dioxide (TiO_2) and a monazite-rich mineral sand concentrate, which includes rare earth elements (REEs), both of which Kenmare believes have a role to play in the transition to a low carbon economy. TiO_2 enhances the durability and sustainability of construction products and buildings through its resistance to heat, ultraviolet degradation, and weathering. Consumption of raw materials as well as waste production is reduced with lower maintenance requirements. In plastics, TiO_2 pigment helps to protect and extend product lifetime, reducing plastic waste. TiO_2 in paint also has a high refractive capability, reflecting heat generated by the infra-red rays of the sun. TiO_2 paints applied to the surfaces of buildings and cool roofs can therefore help to reduce heat build-up and avoid air conditioning requirements. Nascent scientific studies are also exploring the conversion of methane, a potent Greenhouse Gas, into carbon dioxide, which has a much lower Global Warming Potential using the photocatalytic capability of titanium dioxide. This technology is already in use as a film covering high-rise glass buildings, due to its self-cleaning capabilities.

Titanium metal represents a small proportion (4-5%) of the total market for Kenmare's titanium feedstocks, however, demand for titanium metal in low-carbon technologies such as geothermal, nuclear, and solar is growing. In addition, REEs are essential for permanent magnets in wind turbines and electric vehicle motors. In a scenario where temperature increases are limited to 1.5°C due to rapid decarbonisation of the economy, the projected growth up to 2050 for these metals is 60% for titanium metal and 80% for REEs relative to a business-as-usual case, where temperature increases continue their current trajectory.

BREAKDOWN OF TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES DATA FOR 2023

ELIGIBLE ACTIVITIES 2023	TOTAL	TAXONOMY ELIGIBLE		TAXONOMY NON-ELIGIBLE	
	$m ($'000)	%	$m	%	$m ($'000)
Turnover	458,477	0	0	100	458,477
Capital expenditure	69,730	0	0	100	69,730
Operating expenditure	303,353	0	0	100	303,353

Mozambique is one of 57 countries that subscribe to the Extractive Industries Transparency Initiative (EITI) and Kenmare representatives have been on Mozambique's EITI co-ordinating committee since its inception in 2009.

PRINCIPAL RISKS AND UNCERTAINTIES

MANAGING RISK IS AN INTEGRAL PART OF KENMARE'S BUSINESS. THE GROUP APPLIES A COMPREHENSIVE PROCESS FOR IDENTIFYING, ASSESSING AND MANAGING RISKS ASSOCIATED WITH ITS OPERATIONS AND BUSINESS AND STRATEGIC CORPORATE DECISIONS.

Risk management framework

An overview of the risk management and internal control framework, responsibilities within it and the relationship between functions is set out below. While 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 & Risk Committee. The Board and Audit & Risk Committee receive reports from the Executive Committee on the key risks to the business and the steps being taken to mitigate such risks. The Audit & Risk Committee reviews the principal risks and uncertainties.

Board of Directors
The Board of Directors has ultimate responsibility for risk management. The Board receives reports and updates from the Board Committees and the Executive Directors on the key risks facing the business and the steps taken to manage these risks. The Board delegates responsibility to the Audit and Risk Committee.

Audit & Risk Committee
Responsible for monitoring and assessing the Group's risk management and internal control systems. Receives regular updates on risk management strategies, mitigation and action plans.

Sustainability Committee
Responsible for monitoring developments related to sustainability risks including safety, health, environment, climate and social performance, and providing strategic direction, oversight and risk assurance.

Executive Committee
The Executive Committee monitors and facilitates the implementation of effective risk management practices by departmental management and ensures appropriate risk reporting up and down the organisation.

First line of defence

Operational management has ownership, responsibility and accountability for directly assessing, controlling and mitigating risks.

Second line of defence

Kenmare has various oversight functions, which are responsible for providing subject matter expertise, defining standards and ensuring adherence and compliance.

Third line of defence

Internal audit provides assurance to the Board on how effectively the organisation assesses and manages its risks. It includes assurance on the effectiveness of the first and second lines of defence.

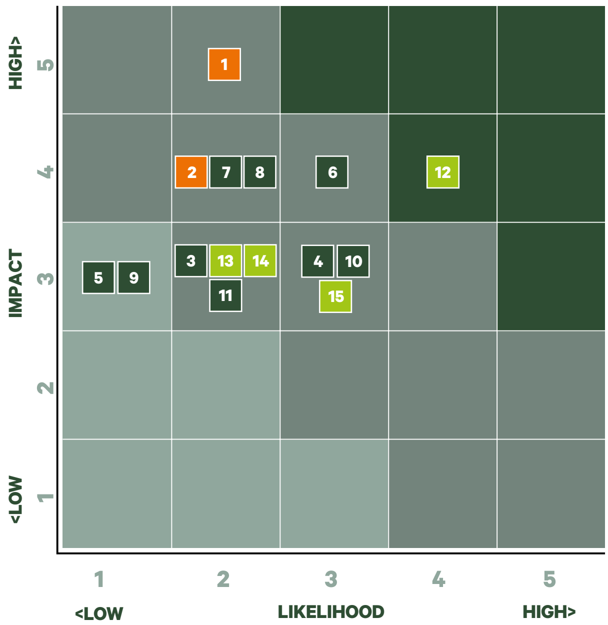
Risk assessment process

The Group's risk assessment process is based on a coordinated, Group-wide approach to the identification and evaluation of risks and the manner in which they are monitored and managed. This process begins with a bottom-up approach involving operational managers who, through a programme of workshops, regularly perform a detailed risk review to update the departmental risk registers. In assessing the potential impact and likelihood of each risk identified, management considers the existing key controls and evaluates the risks in terms of potential residual impact. A standard risk-scoring matrix is used to ensure consistency in reporting across all areas.

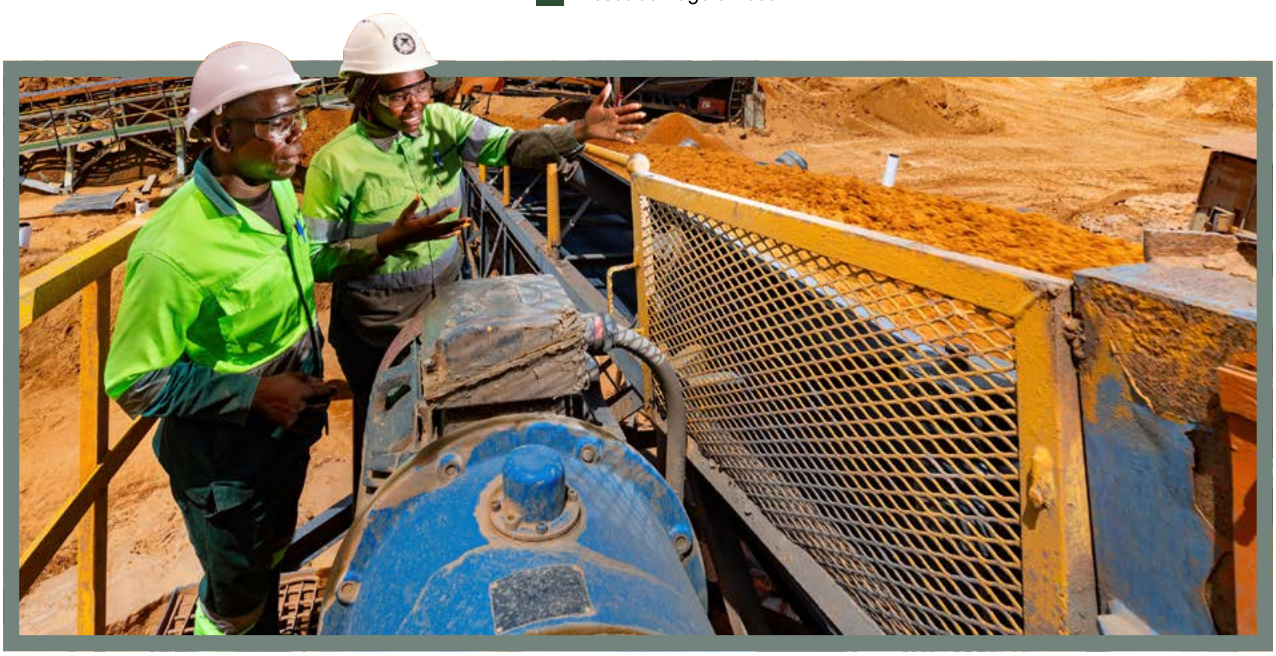
Departmental risk registers are consolidated into a Group Risk Register. The Executive Committee provides input to ensure that there is a top-down view of the key risks facing the Group. This includes consideration and assessment of any newly identified emerging risks. Following a review of the Group Risk Register by the Executive Committee, the principal risks identified for the Group and their mitigations are submitted to the Audit & Risk Committee and Board for review and approval.

As part of this review and approval process, the Audit & Risk Committee provides a robust assessment of the emerging and principal risks faced by the Group. This is achieved by offering alternative viewpoints and challenging risk scoring assumptions as appropriate.

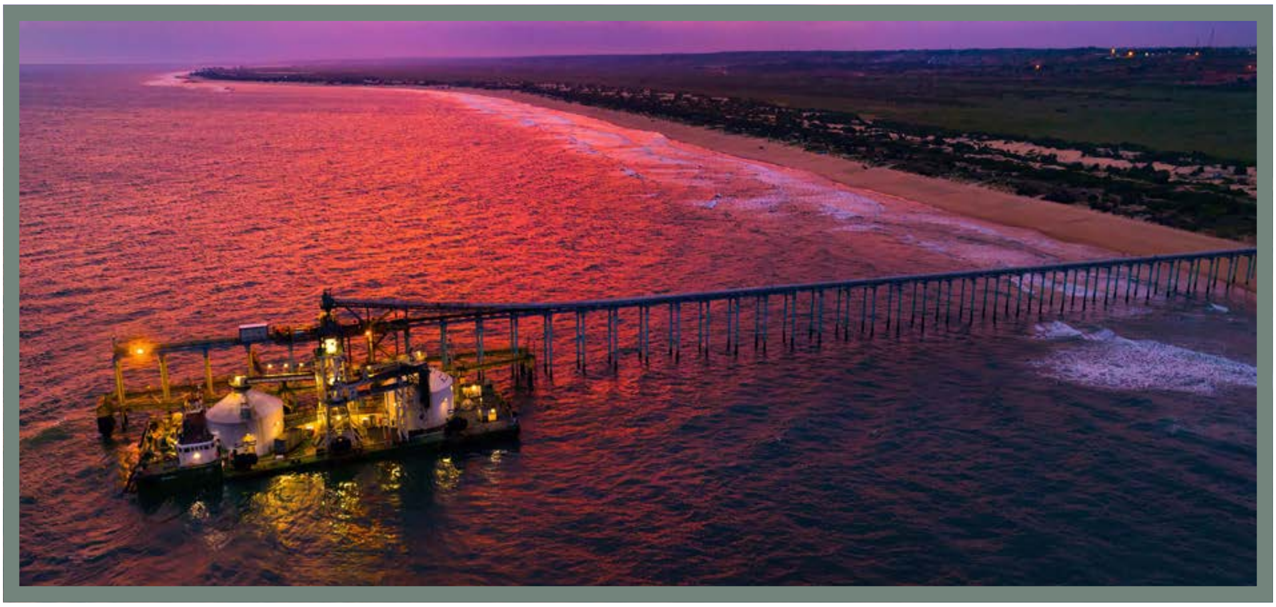
Risk heat map



- 1 Permitting, licensing and Government agreement risk
- 2 Country risk
- 3 Geotechnical risk
- 4 Severe weather events
- 5 Uncertainty over physical characteristics of the orebody
- 6 Loss of production due to power supply and transmission interruption
- 7 Asset damage or loss
- 8 Health, Safety and Environment
- 9 Material misstatement in the Ore Reserves & Mineral Resource Table
- 10 IT security risk
- 11 Development project risk
- 12 Industry cyclicality
- 13 Customer and/or market concentration
- 14 Foreign currency risk
- 15 Aggressive cost inflation



PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED



Risk appetite

Exploration for, and the development of, Mineral Resources, together with the construction and development of mining operations in Mozambique, are activities that involve high risk. Kenmare makes informed decisions prior to engaging in any associated activities that pose a significant risk to the Group. Where activities are undertaken, appropriate mitigations are put in place commensurate with the degree of risk that is faced. For some risks, such as country risk and industry cyclicality, these risks are inherent to the Company's business and there is a limit on the level of mitigation that can be put in place given the single jurisdiction and the single industry in which the Group operates. Kenmare has a very low appetite and tolerance for risk in areas which potentially impact the health and safety of its staff, community and/or environment.

Emerging risks

Kenmare considers emerging risk as part of the risk assessment process within the Group's risk management framework. An emerging risk is one that could potentially impact the Group; however, the risk is not yet fully understood, limiting its ability to fully assess the likelihood and impact of such risks. Such risks are closely monitored, enabling Kenmare to implement mitigations when necessary or appropriate.

Task Force on Climate-related Financial Disclosures

In line with regulatory reporting requirements, Kenmare used two alternate warming scenarios to evaluate climate-related risks applicable to its operations and business model. These included both physical risks and those related to the transition to a low carbon economy, such as policy, regulatory, technology, market and reputational risks.

The Group has summarised its climate risk analysis on page 66. Further detail on its climate risks are set out in the 2021 Climate Strategy Report available at www.kenmareresources.com. This analysis confirms extreme weather events, and in particular cyclones and storms, present the most material climate-related risk to its business. The controls in place to mitigate this risk are set out on page 80. No other climate-risks have been identified as a principal risk or uncertainty.

Principal risks and uncertainties

Under Section 327(1)(b) of the Companies Act 2014 and Regulation 5(4)(c)(ii) of the Transparency (Directive 2004/109/EC) Regulations 2007 and UK Disclosure and Transparency Rule 4, the Group is required to give a description of the principal risks and uncertainties that it faces. These risks are similar to those faced by many companies in the mining industry. A description of the principal risks and uncertainties, together with mitigating factors and controls, are set out in the table on pages 79 to 85. This table is not prioritised nor is it an exhaustive list of all risks that may impact the Group, but rather the Board's view of principal risks at this point in time. There are additional risks that are not yet considered material or that are not yet known to the Board or fully understood but that may assume greater importance in the future.

LINKS TO STRATEGY

Operate responsibly | Deliver long-life, low-cost production | Allocate capital efficiently

TREND KEY

Risk is increased | Risk is unchanged | Risk is decreased | N New risk

STRATEGIC

Permitting, licensing and Government agreement risk

STRATEGY

DESCRIPTION

The Group's mining and processing activities require its foundation agreements (Mineral Licensing Contract and Implementation Agreement), and various licences, permits, concessions and approvals to be in place in the relevant mining areas in northern Mozambique. The Group may not be granted, may not maintain, or may not obtain a renewal or extension of its foundation agreements, necessary licences, permits, concessions and approvals for it to operate in accordance with its plans. This could be because of failure or inability to comply with conditions or processes, including in connection with community consultation processes; pressure from stakeholders; administrative delay and/or failure by the relevant authorities to comply with the terms of the foundation agreements and/or applicable law.

POTENTIAL IMPACT

In addition, the terms of any such agreement, licence, concession or approval, renewal or extension may be less advantageous than expected and the costs associated with obtaining, maintaining, renewing or extending such agreement, licence, concession or approval may be higher than expected.

HOW KENMARE MANAGES RISK

- Robust foundation agreements (Mineral Licensing Contract and Implementation agreement) entitle the Group to be issued a number of key permits and provide it with rights of extension in relation to those foundation agreements.
- Continued compliance with terms of foundation agreements and maintenance of existing licences in good standing.
- The Group continually demonstrates its commitment to the future long-term development of the Mine.
- The Group maintains a positive working relationship with the Government of Mozambique through regular contact, promoting open and honest two-way communication.
- Engagement with affected local communities to work towards obtaining the required environmental approvals.

RISK TREND

The term of the Implementation Agreement (which governs the terms of KMPL's operation of the IFZ (Industrial Free Zone)) ends in December 2024.

The Group has applied for an extension of the agreement for a further 20 years, to which it is entitled under the agreement and is in active communication with Mozambican authorities in connection with the extension.

Whilst the Group believes an extension will be obtained, the ongoing extension process means that the perception of risk has increased compared to the prior year.

Notwithstanding the increase in perceived risk, the location of the risk on the risk heat map on page 77 remains unaltered because the assessment of likelihood remains within the same range as last year (although it has moved to the upper end of that range).

Country risk

STRATEGY

DESCRIPTION

The Group's operations are located entirely in Mozambique. There may be potential adverse operational or financial impacts from changes in the political security or economic circumstances in Mozambique. In addition, changes in, or disputes over, the regulatory or tax regimes in Mozambique (including changes in the interpretation or application of those regimes to the Group) could also have an adverse impact.

POTENTIAL IMPACT

Kenmare has operated in Mozambique since 1987; however, it remains subject to risks similar to those prevailing in many developing nations, including economic and social instability, the risk of insurgency, changing regulatory or tax regime (or the application thereof) or disputes with the authorities in relation to the same.

These risks may cause significant disruption to the operation or cause an increase in costs in order to ameliorate their impact. In addition, increases in taxes could have an adverse effect on the Group's financial results.

HOW KENMARE MANAGES RISK

- Binding foundation agreements are in place with legal and fiscal stability clauses and international arbitration provisions.
- The Group maintains a positive working relationship with the Government of Mozambique, including the Ministry of Resources and Energy (MIREME) and the tax authorities.
- Kenmare monitors closely any developments in the national environment.
- Frequent engagement with the Mozambique Defence Department, navy marines, and police.
- In-house monitoring of activities and on-going improvement of security strategy.
- On-site diesel storage and power generation systems are in place to maintain processing and export activities to mitigate electrical supply infrastructure impacts.
- Internal and external compliance reviews of Kenmare's tax administration.

RISK TREND

The risk of insurgence in the Cabo Delgado province remains an area of focus, however Total Energies have announced resumption of work in the area, which is expected to commence in Q1 2024.

Taking all the country risk factors into account, there is no significant change to the overall assessment of country risk compared to the prior year.

PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

OPERATIONAL

Geotechnical risk

STRATEGY

DESCRIPTION

An external berm failure at the Moma Mine could result in a major slimes/water spill into adjoining valleys, potentially impacting on local communities and/or the operating assets.

POTENTIAL IMPACT

The nature of dredge mining gives rise to the creation of artificial ponds and a potential for failure of berm systems that surround the ponds. A failure of a berm could cause loss of life, damage to the operating assets and cessation of the operation of the Wet Concentrator Plants (WCPs) for a prolonged period.

HOW KENMARE MANAGES RISK

- Permanently employed staff with geotechnical engineering skills.
- Prudent geotechnical design and controls.
- Daily inspections.
- Interlocking external audits from two separate and independent geotechnical consultants.
- Safety/diversion berm erected to protect downstream from pond berm failure.
- On-going installation and monitoring of pipes on ponds to control excess water.
- Additional risk management measures include transitioning to the Global Industry Standard on Tailings Management (GISTM).

RISK TREND

External berm failure remains a key focus in risk management. There are no circumstances envisioned that would be expected to increase the risk profile of geotechnical risk throughout 2024.

Based on this, there is no significant change in the assessment of this risk compared to the prior year.

Severe weather events

STRATEGY

DESCRIPTION

Climate change and the location of the Group's operations on the Mozambican coast, gives rise to the risk from cyclone activity and severe wind/flooding. Such events pose risk to the safety of mine staff, contractors, and visitors, as well as to physical damage to the operational assets. For further information on the climate-related risks Kenmare faces, see its 2021 Climate Strategy Report.

POTENTIAL IMPACT

In extreme weather circumstances, there is a risk of loss of life. There is a risk of physical damage to the operating assets of the Mine, which may result in an inability to operate the Mine. Weather forecasting allows for disaster planning. Heavy rain and flooding can also impact supply logistics to and from the Mine.

HOW KENMARE MANAGES RISK

- Mine and associated infrastructure designed to appropriate cyclone rating.
- Designated cyclone-proofed buildings at the Mine.
- On-going weather/cyclone monitoring.
- Cyclone readiness plan covering land-based and marine assets.
- Disaster management programme.
- Insurance cover.
- Adequate stock of materials and supplies on site.

RISK TREND

Although this risk may increase in future years, there have been no significant changes to the assessment of the risk compared to the prior year.

LINKS TO STRATEGY

Operate responsibly | Deliver long-life, low-cost production | Allocate capital efficiently

TREND KEY

Risk is increased | Risk is unchanged | Risk is decreased | N New risk

OPERATIONAL CONTINUED

Uncertainty over physical characteristics of orebody

STRATEGY

DESCRIPTION

Orebody characteristics, including slime levels, may not conform to existing geological or other expectations or may have an unanticipated effect on production. Orebody characteristics, including slime levels, in some of the ore bodies may differ from those previously mined and may require changes in mining methods and/or additional plant and equipment.

POTENTIAL IMPACT

Physical characteristics of an orebody, including divergence from expectations, may cause reduced production levels or a necessity to incur increased operating or capital costs to maintain production at the intended level.

HOW KENMARE MANAGES RISK

- Extensive sample testing.
- Extensive orebody drill programme including introduction of cone penetration testing to measure orebody properties relating to hardness and in-fill drilling at Pilivili in 2023 as further described in "Ore Reserves & Mineral Resources".
- Test pits/trenching implemented.
- Expertise in managing slimes and in managing unexpected mining conditions.
- Dry mining operations.
- Improved throughput modelling.
- Definitive Feasibility Study for Nataka considering the impact of slimes on mining, processing, and tailings emplacement.
- Investment in Geometallurgy department, including a new laboratory.
- Assessment of AI tools to better identify and manage areas of high slimes.

RISK TREND

As further described in "Ore Reserves & Mineral Resources", in 2023 Kenmare identified issues with grades encountered in the Pilivili ore zone. The Company identified the underlying cause and took corrective action.

As a result, the overall assessment of this risk remains unchanged.

Loss of production due to power supply and transmission interruption

STRATEGY

DESCRIPTION

The Mine is reliant on the delivery of stable and continuous electric power by Electricidade de Mocambique (EdM) from the Cahora Bassa Dam via a power transmission line to the Mine.

Furthermore, additional power in excess of that currently agreed to be supplied by EdM is required for the future operations of the Mine, including in connection with the transition to Nataka.

The viability of obtaining additional power will need to be analysed and may require additional infrastructure.

POTENTIAL IMPACT

Significant disruption to, or instability in, the power supply at the Mine could have a material and adverse effect on the ability to operate the Mine or to operate it in the lowest cost manner, thereby adversely affecting production volumes and/or operating costs.

In addition, a failure to obtain any additional power required by future operations, or to obtain such power at acceptable cost could have a material and adverse effect on the ability to operate the Mine or to operate it in the lowest cost manner, thereby adversely affecting production volumes and/or operating costs.

HOW KENMARE MANAGES RISK

- Company's Synchronous Condenser (Dip Doctor) reduces the effect of grid power instability.
- The Rotary Uninterruptible Power Supply (RUPS) provides increased power reliability to the MSP as it is able to supply it with alternative power where issues with incoming grid power are detected.
- On-site diesel-powered generators are able to power part of the mining operations in the case of planned or prolonged unavailability of stable grid-power, thereby maintaining HMC production at approximately 50%.
- Projects are underway to ensure the Mine is not solely reliant on EdM breakers and to ensure protection of the internal power infrastructure.
- Consideration of options for additional power supply for future operations, and dialogue with EdM and other stakeholders in connection therewith.

RISK TREND

There have been no significant changes to the overall assessment of the risk compared to the prior year.

Completion by EdM of upgrades to its transmission infrastructure are expected to reduce the risk in future years.

PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

OPERATIONAL CONTINUED

Asset damage or loss

STRATEGY

DESCRIPTION	The operation of a large mining and processing facility carries an inherent risk of technical failure of equipment, fires and other accidents. In addition, the assets are exposed to the risk of theft.
POTENTIAL IMPACT	An occurrence of these risks could result in damage to, or destruction of, key mining, processing or shipping facilities at the Mine, such as the transshipment vessels, the jetty or product conveyor belt. Loss of such key assets could result in disruption to production and/or shipping, significant replacement cost and consequential monetary losses.
HOW KENMARE MANAGES RISK	▶ Programme of inspections and planned maintenance with a team of specialist engineers. ▶ Standard operating procedures. ▶ Fire detection and suppression systems. ▶ Annual external risk assessment and compliance audit. ▶ Insurance cover. ▶ Carrying sufficient strategic spares. ▶ Investment in improved technology infrastructure to enable improved monitoring of assets, enabling the identification and prevention of damage and/or theft-related incidents. ▶ Newly built warehouse storing critical and costly spares.
RISK TREND	The Mine has noted a reduction of security-related incidents during 2023. The assessment of the risk remains unchanged from previous years.

Health, Safety and Environment (HSE)

STRATEGY

DESCRIPTION	The operation of a large mining and processing facility carries a potential risk to the health and safety of the workforce, visitors and the local community. Incidents carry potential for environmental damage to surrounding areas.
POTENTIAL IMPACT	The improper use of machinery, poor maintenance, technical failure of certain equipment or failure to meet and maintain appropriate safety standards could result in significant injury, loss of life or significant negative impact on the surrounding environment and/or communities. In addition, it is possible that a failure to comply fully with applicable regulations exposes the Mine to the risk of fines or other sanctions by a relevant regulator.
HOW KENMARE MANAGES RISK	▶ Prioritisation of HSE by management. ▶ Appropriately trained staff. ▶ Standard operating procedures. ▶ On-going hazard identification programme. ▶ Health and Safety awareness programme implemented for the Company and community. ▶ Mine clinic and evacuation procedures for staff. ▶ Community investment and programmes including health clinic and education programmes. ▶ Compliance with applicable HSE standards and legislation.
RISK TREND	While the Mine's LTIFR for 2023 was 0.15, health and safety remains an area of priority for the Company. The overall assessment of this risk remains unchanged.

LINKS TO STRATEGY

Operate responsibly | Deliver long-life, low-cost production | Allocate capital efficiently

TREND KEY

Risk is increased | Risk is unchanged | Risk is decreased | New risk

OPERATIONAL CONTINUED

Material misstatement in the Ore Reserves & Mineral Resource Table

STRATEGY

DESCRIPTION

A material misstatement in the Ore Reserves and Mineral Resources statement.

POTENTIAL IMPACT

A material misstatement could adversely impact the Company's valuation.

HOW KENMARE MANAGES RISK

- JORC-compliant statement prepared by competent person.
- Review by independent specialist in 2023 of methodologies, as further described in "Ore Reserves & Mineral Resources".
- On-going drilling and sampling programme, including in-fill drilling at Pilivili in 2023 as further described in "Ore Reserves & Mineral Resources".
- On-going reconciliation of mining results to Mineral Resource models.

RISK TREND

As further described in "Ore Reserves & Mineral Resources", in 2023 issues were identified with cut-off grades and with drilling conducted in the 1990s at Pilivili, following which improvements and corrections made. As a result, the overall assessment of this risk remains unchanged.

IT security risk

STRATEGY

DESCRIPTION

The Group is dependent on the employment of advanced information systems and is exposed to risks of failure in the operation of these systems. Further, the Group is exposed to security threats through cyber attacks.

POTENTIAL IMPACT

A failure in these systems, or a successful cyber attack, could lead to:

- Disruption to critical business systems and operational equipment.
- Loss or theft of confidential information, competitive advantage, or intellectual property.
- Financial and/or reputational harm.
- Imposition of sanctions for breach of laws/regulations.

HOW KENMARE MANAGES RISK

- Analysis by external certified IT specialists of Group information systems to ensure reliability and protection to align with industry information security standards.
- Third-party specialists provide network assurance.
- On-going strategic and tactical efforts to address the evolving nature of cyber threats.
- Increased user training and IT security awareness.
- Increased management attention, coupled with additional internal and external resources.

RISK TREND

Management have increased focus on IT and cyber security risk, and significant progress has been made in 2023 in managing this risk. This same effort will continue into 2024.

The risk trend remains unchanged from the previous year.

Development project risk

STRATEGY

DESCRIPTION

The DFS for the WCP A upgrade and transition to Nataka was completed in 2023.

All development projects include the risk of taking longer and costing more than anticipated.

POTENTIAL IMPACT

Failure to successfully engineer, design, plan execute and complete the Nataka transition and other development projects, or to do so on time and on budget, and to operate completed projects in the manner anticipated could have adverse operational and financial impacts.

HOW KENMARE MANAGES RISK

- Rigorous project appraisal and design process, including Pre-feasibility and Definitive Feasibility Studies.
- Significant mining trials in connection with the transition to Nataka.
- Owner's team and use of industry experts with track records of delivery of a number of development projects for Kenmare.
- Efficient procurement practices regarding long lead items, ensuring timely delivery and certainty over certain construction costs.

RISK TREND

The transition of WCP A to Nataka represents the largest development project of the Group in a decade.

As the Nataka transition project is in execution phase, the perceived risk has increased compared to the prior year.

PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

FINANCIAL

Industry cyclicality

STRATEGY

DESCRIPTION	The Group's revenue generation may be significantly and adversely affected by declines in the demand for and prices of the ilmenite, zircon, rutile and concentrate products that it produces. During rising commodity markets, there may be upward pressure on operating and capital costs.
POTENTIAL IMPACT	Unfavourable product market events beyond the Group's control and/or pressure on operating or capital costs may adversely affect financial performance.
HOW KENMARE MANAGES RISK	▸ Global portfolio of customers. ▸ Long-term contracts with certain key customers. ▸ On-going cost control and disciplined financial management. ▸ Industry analysis to develop suitable assumptions in the Group's commodity price forecasting used for planning purposes.
RISK TREND	Although Kenmare has seen a more challenging market in 2023 with prices for its products decreasing, the assessment of this risk remains unchanged from prior years.

Customer and/or market concentration

STRATEGY

DESCRIPTION	The customer base and market for the Group's ilmenite, zircon, rutile and concentrate products is concentrated.
POTENTIAL IMPACT	The Group's revenue generation may be significantly affected if there ceases to be demand for its products from major existing customers, or is restricted from dealing with those customers, and it is unable to further expand its customer base in respect of the relevant product.
HOW KENMARE MANAGES RISK	▸ Active management of existing customer relationships and development of new customers. ▸ Market intelligence to track developments in customer demand. ▸ Development of mineral sands concentrate as an additional co-product stream with a different customer base.
RISK TREND	There have been no significant changes to the overall assessment of this risk compared to the prior year.

Foreign currency risk

STRATEGY

DESCRIPTION	The Group's revenues are entirely denominated in US Dollars, whereas costs are denominated in a number of currencies including South African Rand, Mozambican Meticais, Euros and US Dollars.
POTENTIAL IMPACT	The nature and location of the Mine and the intrinsic volatility of exchange rates give rise to an on-going significant probability of occurrence of an adverse exchange rate fluctuation. The impact of such a fluctuation can be large across calendar years.
HOW KENMARE MANAGES RISK	▸ Group debt is denominated in US Dollars. ▸ A natural hedge exists between revenue receipts and US Dollar-denominated costs. ▸ A further natural hedge exists between the value of US Dollars and commodity prices over the long-term. When commodity prices increase, the Group's non-US Dollar-denominated costs tend to increase in US Dollar terms. When commodity prices decrease, the Group's non-US Dollar-denominated costs tend to decrease in US Dollar terms. ▸ South African Rand hedging facilities in place.
RISK TREND	Foreign currency exposure has remained relatively unchanged from an operational perspective. The risk therefore remains unchanged from prior years.

LINKS TO STRATEGY

Operate responsibly | Deliver long-life, low-cost production | Allocate capital efficiently

TREND KEY

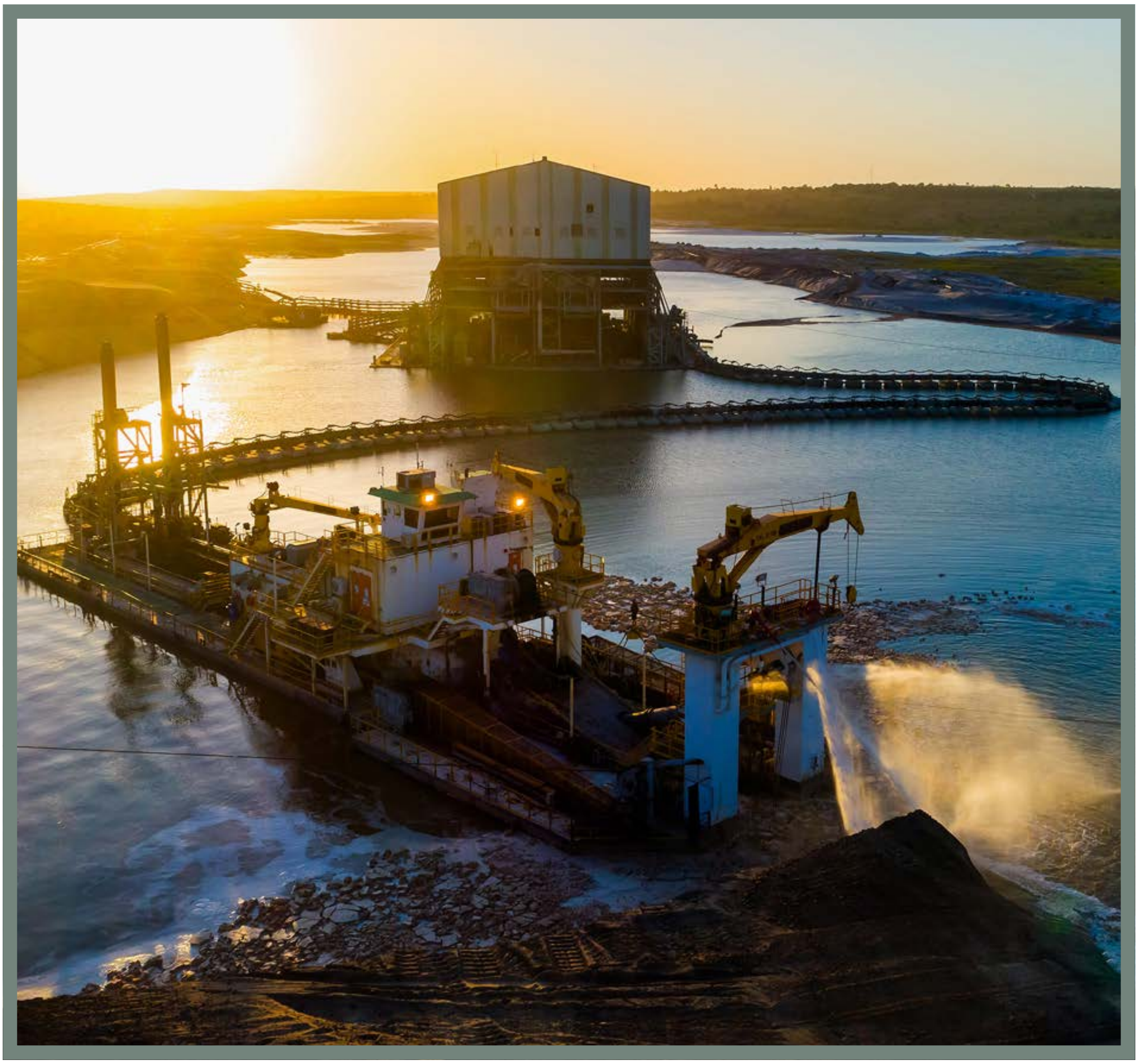
Risk is increased | Risk is unchanged | Risk is decreased | New risk

FINANCIAL CONTINUED

Aggressive cost inflation

STRATEGY

DESCRIPTION	Inflationary-related increase in operating or capital costs above expected inflation rates.
POTENTIAL IMPACT	Aggressive inflation could have a negative impact on the Group's cash cost per tonne and profitability.
HOW KENMARE MANAGES RISK	Fixed price supply agreements where possible. Multi-year labour agreements. Understanding cost drivers and promoting pro-active cost management throughout the Group. Active management of existing supplier relationships and development of new supplier relationships to ensure the Group receives competitive contractual arrangements.
RISK TREND	There have been no significant changes to the overall assessment of this risk compared to the prior year.



VIABILITY STATEMENT

The Board, taking into consideration the Group's principal risks and uncertainties, including emerging risks, assessed the long-term viability of the Group in accordance with Provision 31 of the UK Corporate Governance Code. Its conclusions are outlined below.

Viability assessment: period

The Board has reviewed the length of time to be covered by the Viability Statement, particularly given its primary purpose of providing investors with a view of financial viability that goes beyond the period of the Going Concern Statement.

The Directors concluded that three years is an appropriate period for the assessment as they have reasonable clarity over the Group Forecast assumptions over this period. In a commodity-based business, uncertainty increases inherently with expanding time horizons potentially impacting the large number of external variables, in particular sales pricing.

Overall, a three-year timeframe is deemed to achieve a suitable balance between long and near-term influences.

Viability assessment: approach

The viability of the Group is assessed against strategic plans and projections, and considers cash flows, committed funding and liquidity positions, forecast future funding requirements and other key financial ratios.

The Directors' assessment has been made based on the Group forecast with reference to the cash generation capabilities of the Group, its committed debt facilities, including its $200 million committed Revolving Credit Facility, which is available to 11 March 2029, the Board's risk appetite and the principal risks and uncertainties and how they are managed, as detailed on pages 76 to 85.

The Directors also assessed the potential financial and operational impacts, in severe but plausible scenarios, of the principal risks and uncertainties and the likely degree of effectiveness of current and available mitigating actions as shown below. Sensitivity analysis has been applied to certain key assumptions in the Group forecast including revenue, operating costs and covenant compliance.

Assessment of prospects

The Directors carried out a robust assessment of Kenmare's current position and the principal risks facing the Group, including emerging risk and those that would threaten its strategy, business model, future performance, solvency or liquidity.

The Board's consideration of the long-term prospects of the Group is an extension of the strategic planning process. This includes the annual budget review, regular financial forecasting, a comprehensive risk management assessment and scenario planning, which considers the Group's principal risks and uncertainties.

Conclusion

Based on their assessment of the three scenarios detailed below and future prospects, the Directors confirm that they have a reasonable expectation that the Group will continue to operate and meet its liabilities, as they fall due, for the next three years to 31 December 2026.

Scenario	Relevant principal risk
SCENARIO 1: RECESSIONARY ENVIRONMENT Scenario assumptions include reduced customer demand as a result of supply-side pressure and increased operating costs due to inflationary pressure.	Aggressive cost inflation, Industry cyclicality, Customer and/or market concentration.
SCENARIO 2: ONE-OFF FINE, PENALTY OR EVENT Scenario assumptions include the occurrence of a singular catastrophic event resulting from an operational failure, safety incident or extreme weather event or the occurrence of a singular fine or penalty as a result of a regulatory breach.	Country risk, Health, Safety and Environment, IT security risk.
SCENARIO 3: COMBINATION OF SCENARIOS The most severe scenario, although unlikely, considers the financial impact of both scenario 1 and scenario 2 materialising simultaneously.	Combination of relevant risks from previous scenarios.

In March 2024 Kenmare agreed a new $200 million Revolving Credit Facility to support the Company's planned capital programmes in the coming years. The new facilities continue Kenmare's strong relationship with existing lenders and provide enhanced financial flexibility.

Wet Concentrator Plant (WCP) A is the largest of Kenmare's three mining plants, responsible for over 50% of Kenmare's Heavy Mineral Concentrate production. In 2024, Américo's focus is to continue to effectively manage slimes at WCP A to deliver production improvements.

Américo Amoda
WET CONCENTRATOR PLANT A PLANT SUPERINTENDENT

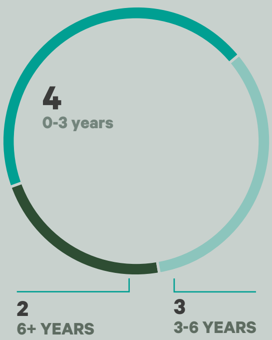
GOVERNANCE

GOVERNANCE AT A GLANCE

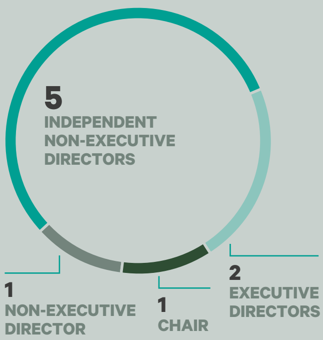
The Board

How the composition of Kenmare's Board allows it to deliver long-term sustainable value for Kenmare and its stakeholders.

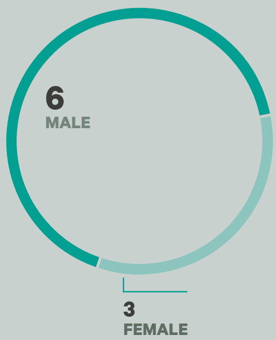
LENGTH OF TENURE



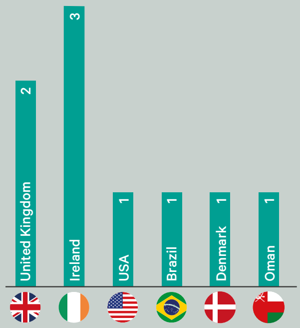
COMPOSITION



BOARD GENDER DIVERSITY



NATIONALITY



Skills matrix

Kenmare requires each Director to be recognised as a person of the highest integrity and standing, both personally and professionally. Each Director must be ready to devote the time necessary to fulfil their responsibilities to the Company in accordance with the terms and conditions of their letter of appointment. Each Director should have demonstrable experience, skills and knowledge that enhance Board effectiveness and complement those of the other Board members. This is to ensure an overall balance of experience, skills and knowledge, and to create long-term sustainable value for the Company and its stakeholders.

AREA	IAB	MC	MD	EDK	CF	TH	GM	DS	AW
Executive management Experience as a Director, CEO, CFO or other office holder or similar in medium to large entities.	✓	✓	✓	✓	✓	✓	✓	✓	
Specific industry knowledge Senior Executive, advisory or Board experience in a mining or resources organisation.	✓	✓	✓	✓	✓	✓	✓		✓
Accounting and finance Senior Executive experience in financial accounting and reporting, or business development or Board Remuneration and Nomination Committee experience.	✓	✓			✓	✓	✓	✓	✓
Sustainability Experience and knowledge of working on sustainability activities directly or as part of operational responsibility.		✓	✓	✓	✓				
Climate Leadership on climate and decarbonisation.			✓	✓					
Legal and governance Experience in organisations with a strong focus on, and adherence to, governance standards.	✓	✓	✓	✓	✓	✓	✓	✓	
International experience An understanding of the complexities of operating in foreign jurisdictions.	✓	✓	✓	✓	✓	✓	✓	✓	✓

Responsibly meeting global demand

How the Board has supported the Group to responsibly meet global demand for quality-of-life minerals.

DEVELOPING KENMARE'S CULTURE

Kenmare's values of integrity, commitment, accountability, respect and excellence (ICARE) underpin everything it does and creates the Kenmare culture. This means that Kenmare cares for, and nurtures, the well-being not only of its employees but also of the environment and host communities. The Board receives regular briefings on relations with the workforce and the community to ensure that policy, practices and behaviour throughout the business are aligned with the Group's purpose, values and strategy. It had the opportunity to meet employees and Community members personally on its visit to the Moma Mine in December 2023 and to discuss Kenmare's strategy and any concerns they might have.

Read more about how the Board monitors culture on pages 102 to 103

ENGAGING WITH KENMARE'S STAKEHOLDERS

The Sustainability Committee actively engages with management and provides advice and oversight on matters such as health and safety, environment, community, security and human rights, all of which impact on the Group's relationships with stakeholders. Its meetings include in-depth discussion on strategies to ensure that both Kenmare and its stakeholders understand not only the context and impact of operations but also the benefits. The Committee also reviews progress on internal sustainability metrics and public targets, which provide an incentive to continuously improve engagement. Directors engage with shareholders, lenders and authorities throughout the year.

Read more about how Kenmare engages with stakeholders on pages 22 to 23

SUPPORTING KENMARE'S OPERATIONS TEAM TO ACHIEVE ITS GOALS

The Board provides feedback and constructive challenge to management in relation to operational performance and, through the Company's remuneration structure, sets targets to incentivise the Executives to reach and maintain production targets and achieve market guidance. The Remuneration Committee reviews remuneration and related policies applicable to the wider workforce, ensuring that these are taken into account when setting the policy for Executive remuneration. The aim across the Group is to provide a reward package that is aligned to shareholders' interests, supports the achievement of the Company's annual and strategic objectives, is competitive against the appropriate market and is consistent with its focus on performance and core values.

Read more about 2023 performance targets on pages 132 to 133

Read more about performance and reward for 2023 on page 125

BOARD OF DIRECTORS

Andrew Webb (AW)

CHAIRMAN AND NON-EXECUTIVE DIRECTOR

Age: 55 **Appointed:** 2021

Skills and experience: Andrew Webb was previously a managing director at Rothschild & Co. in the Global Advisory team, where he worked for 25 years until September 2018. During this time, Andrew advised governments, private and listed companies and joint ventures on strategy, fundraisings, debt financings, mergers, on and off-market acquisitions, disposals and restructurings. He currently acts as a Non-Executive Director of Ecora Minerals plc and several private companies and voluntary organisations. Andrew has a BA & MA in Natural Sciences from the University of Cambridge. He brings his considerable experience in corporate finance to the Company.

External appointments: Andrew is a Non-Executive Director and Chair Designate of Ecora Minerals plc, a royalty company listed on the London Stock Exchange. He is also a Director of BG Sports Enterprises Limited, a sports memorabilia company, AdeptoMines Limited, a mining software company, Launcherley Tourism, a holiday apartment letting company as well as a number of community interest/not-for-profit companies in England. All of these are private unlisted companies. Andrew also acts as a consultant to Berkeley Research Group and Ecometric Limited, a climate-tech group.

Michael Carvill (MC)

MANAGING DIRECTOR

Age: 64 **Appointed:** 1986

Skills and experience: Michael Carvill is a Fellow of the Institute of Engineers of Ireland (FIEI). He holds a BSc in Mechanical Engineering from Queen's University Belfast and an MBA from the Wharton School of the University of Pennsylvania. He worked as a contracts engineer in Algeria and as a project engineer at Tara Mines, Ireland. Michael brings his experience in mining and, specifically, mineral sands to Kenmare as well as his in-depth knowledge of its operations and history.

External appointments: Michael is a Director of a number of privately owned property and construction companies in Ireland and the UK.

Tom Hickey (TH)

FINANCIAL DIRECTOR

Age: 55 **Appointed:** 2022

Skills and experience: Before his appointment to Kenmare in September 2022, Tom Hickey served for 15 years as Executive Director of various public companies. This included eight years as Chief Financial Officer of the African and South American-focused oil and gas producer Tullow Oil Plc. Tom also held senior financial roles with the oil and gas exploration company Petroceltic International Plc between 2010 and 2016, including as Chief Financial Officer and was an Independent Non-Executive Director with United Oil & Gas Plc and Petroneft Resources Plc. Tom has a Bachelor of Commerce degree and a Diploma in Professional Accounting, both from University College Dublin, and he is a Fellow of the Irish Institute of Chartered Accountants. He contributes his skills and expertise as an experienced finance professional, as well as his natural resources background, to the Company.

External appointments: Tom is a Director of Boru Energy Limited, a personal consultancy company and a Non-Executive Director of Teamwork Holdings Limited, Kuldea Limited and Vortech Water Solutions Limited, all of which are private unlisted companies, as well as Donore Harriers Company Limited by Guarantee, an athletics club.

Issa Al Balushi (IAB)

NON-EXECUTIVE DIRECTOR

Age: 35 **Appointed:** 2023

Skills and experience: Issa Al Balushi is a Manager in Economic Diversification Investments at Oman Investment Authority (OIA). He has more than 10 years of experience in the financial industry and has worked as a portfolio manager for several OIA assets nationally and internationally. Previously, he worked at the Central Bank of Oman as a bank examiner and at EY in Oman as a financial analyst. He holds a Master's degree in Financial Analysis from UNSW, Sydney and a Bachelor of Science, Finance from SQU, Muscat. Issa brings his experience in the financial industry and in international investment to Kenmare.

External appointments: Issa is a Director of several private companies owned by OIA and Omani state-owned enterprises.

Mette Dobel (MD)

NON-EXECUTIVE DIRECTOR

Age: 56 **Appointed:** 2022

Skills and experience: Mette Dobel has over 25 years' experience in the mining, cement and engineering industries. She was, until 2022, Regional President, Europe, North Africa, Russia/CIS for FLSmidth, an engineering, equipment and service solutions provider to the global mining and cement industries. She was previously, for 12 years, a director of FLSmidth A/S and FLSmidth & Co. A/S, which is listed on Nasdaq OMX Exchange in Copenhagen. She holds a Master's degree in Engineering and a Bachelor of Science (Commercial) from Københavns Teknikum. Mette contributes her engineering expertise as well as her governance and employee relations experience to the Company.

External appointments: Mette is a Non-Executive Director of M&J Recycling ApS, which is a private Danish company and also a Director of her family investment company.

Elaine Dorward-King (EDK)

NON-EXECUTIVE DIRECTOR

Age: 66 **Appointed:** 2019

Skills and experience: Elaine Dorward-King has over 30 years' experience in the mining, chemicals and engineering industries, including the mineral sands sector. She was Executive Vice President of Sustainability and External Relations for Newmont Goldcorp from 2013 to 2019, where she was responsible for sustainability strategy, including climate and decarbonisation. Prior to that, she worked from 1992 to 2013 for Rio Tinto, as Global Head of Health, Safety and Environment and Managing Director of Richards Bay Minerals in South Africa. She holds a Bachelor of Science, magna cum laude, from Maryville College, Tennessee and a PhD in Analytical Chemistry from Colorado State University. Elaine brings a wealth of natural resources and sustainability.

External appointments: Elaine is a Non-Executive Director of JSE and NYSE-listed Sibanye Stillwater Ltd, NYSE and TSX-listed Novagold Resources Inc and TSX-listed Nevada Copper Corp.

Clever Fonseca (CF)

NON-EXECUTIVE DIRECTOR

Age: 70 **Appointed:** 2018

Skills and experience: Clever Fonseca has worked in the titanium industry for over 35 years. He has extensive knowledge and Board-level management experience of mineral sands mining and he has worked in the titanium pigment and feedstock industries. He was responsible for developing Brazil's only dredge-mined mineral sands operation, was Vice President of Global Supply and Mining for Millennium Inorganic Chemicals (now part of Tronox) in the US, and also served as Executive Director of Mineral Deposits Ltd in Melbourne. Most recently, he was Chief Executive of TiZir Ltd until 2012. He has a BSc in Mining Engineering from Universidade Federal De Pernambuco, and an MBA from Fundacao Getulio Vargas, both in Brazil. Clever contributes his skills and experience in the titanium industry to the Company.

External appointments: None.

Graham Martin (GM)

NON-EXECUTIVE DIRECTOR

Age: 70 **Appointed:** 2016

Skills and experience: Graham Martin has over 35 years' experience in the global natural resources sector with a particular focus on Africa. From 1997 to 2016 he served as an Executive Director of Tullow Oil Plc, an oil and gas exploration, development and production company listed on the London, Irish and Ghanaian stock exchanges. Prior to Tullow, he was a partner at the US energy law firm Vinson & Elkins LLP, and at the UK corporate law firm Dickson Minto WS. He holds a degree in Law and Economics from the University of Edinburgh. Graham brings his experience in law and natural resources and his expertise in the remuneration area to Kenmare.

External appointments: Graham is Non-Executive Chairman of United Oil & Gas Plc, an AIM-listed oil and gas company.

Deirdre Somers (DS)

NON-EXECUTIVE DIRECTOR

Age: 57 **Appointed:** 2020

Skills and experience: Deirdre Somers has over 20 years' experience in senior management positions, having served as Chief Executive of the Irish Stock Exchange (ISE) from 2007 to 2018 and, prior to that, as its director of listing. She led the ISE's transformation to a highly profitable entity with global specialisms culminating in its sale in March 2018 to Euronext NV. She also held the position of president and board chair of the Federation of European Securities Exchanges from 2015 to 2018. Deirdre, a qualified Chartered Accountant, also worked with KPMG for eight years and holds a Bachelor of Commerce degree from University College Cork. She contributes her financial skills and market experience to the Company and is the financial expert on the Audit and Risk Committee.

External appointments: Deirdre is a Non-Executive Director of Aquis Exchange Plc (quoted on the Alternative Investment Market of the London Stock Exchange), Enfusion, Inc. (listed on the New York Stock Exchange) and the investment entities iShares I plc, iShares II plc, iShares III plc, iShares IV plc, iShares V plc, iShares VI plc and iShares VII plc (all BlackRock entities listed in various markets) and Episode Inc. (unlisted). She is also a Non-Executive Director of Cancer Trials Ireland Limited, which is a Irish registered charity.

COMMITTEE KEY

- A Audit & Risk Committee
- N Nomination Committee
- R Remuneration Committee
- S Sustainability Committee
- C Committee Chair

EXECUTIVE COMMITTEE

Michael Carvill

MANAGING DIRECTOR

Michael Carvill has been the Managing Director of Kenmare since 1986. He worked as a contracts engineer in Algeria and as a project engineer at Tara Mines, Ireland. He is a Fellow of the Institute of Engineers of Ireland (FIEI). He holds a BSc in Mechanical Engineering (Queen's University, Belfast) and an MBA (Wharton School, University of Pennsylvania).

Tom Hickey

FINANCIAL DIRECTOR

Tom Hickey joined Kenmare as Financial Director in September 2022. Before this, he served for 15 years as executive and/or non-executive director of various public companies including Tullow Oil Plc, Petroceltic International Plc and United Oil and Gas Plc. Tom has a Bachelor of Commerce degree and a Diploma in Professional Accounting, both from University College Dublin, and he is a Fellow of the Irish Institute of Chartered Accountants.

Ben Baxter

CHIEF OPERATIONS OFFICER

Ben Baxter joined Kenmare in 2015 and has over 25 years' experience in the mineral sands industry. He was previously employed by Rio Tinto at Richards Bay Minerals (RBM) in South Africa and QMM in Madagascar, where he held a broad range of geological, mine planning and leadership roles before being appointed General Manager Mining. Ben holds a BSc (Hons) in Applied Geology from the University of Leicester and an MSc in Mining Geology from the Camborne School of Mines. In 2022, he completed the Advanced Management Programme at Harvard Business School.

Jeremy Dibb

HEAD OF CORPORATE DEVELOPMENT AND INVESTOR RELATIONS

Jeremy Dibb joined Kenmare in 2014, having previously covered the mining sector as an equity research analyst at Macquarie and Canaccord Genuity. Prior to this he worked in asset management at Cazenove Capital and Fidelity. Jeremy is a chartered accountant, holds an MBA from Saïd Business School at the University of Oxford and is a CFA® charterholder. Jeremy is also a Non-Executive Director of AIM-listed DP Poland Plc.

Terence Fitzpatrick

GROUP GENERAL MANAGER – TECHNICAL

Terence Fitzpatrick is a graduate of University of Ulster (Mech. Eng.). He worked as Project Manager and then Technical Director of Kenmare from 1990 to 1999. He was responsible for the development of the Ancuabe Graphite Mine in Mozambique, which achieved completion in 1994. He was appointed to the Board of Kenmare in 1994. He served as a Non-Executive Director from 2000 to 2008. He was appointed as Technical director in February 2009 and served until July 2018.

Anna Brog
HEAD OF SUSTAINABILITY

Anna Brog joined Kenmare in 2021. She was previously at Tullow Oil Plc, whose assets are predominantly in Africa, where she led the development of the company's ESG programme as its Sustainability Manager. Prior to this she was head of Corporate Social Responsibility at Logica Plc, a multinational IT and management consultancy company. Anna holds a post graduate Certificate in Sustainability from the University of Cambridge and a BA from the University of Sussex.

Gareth Clifton
MOZAMBIQUE MANAGER

Gareth Clifton holds a BA Economics degree from the University of Exeter and an MSc in African Studies from the University of Edinburgh. He joined Kenmare in 2001 having worked as a General Manager for Union Transport LDA. He previously held the position of manager for a Mozambican shipping agent and also worked for the UNDP.

Carlos Freesz
GLOBAL HEAD OF ICT

Carlos Freesz joined Kenmare in 2022 and has over 25 years of experience in technology in various industries. He has held global technology leadership and management positions at MARS, IBM, SAP, and Accenture, bringing together technology strategy and execution and partnered with companies such as Vale, CSN and Anglo-American. Carlos holds a BSc in Mechanical and Industrial Engineering from Faculdade de Engenharia Industrial (Brazil), an MSc in Digital Strategy from Trinity College Dublin and an Executive MBA from INSPER (Brazil).

Chelita Healy
COMPANY SECRETARY

Chelita Healy graduated from University College Dublin with a Bachelor of Civil Law degree and a Master's degree in European Law. She qualified as a Solicitor in 1996. She then worked as a solicitor and, later, as a Partner, in a Dublin legal firm before joining Kenmare's Company Secretarial department in 2019. She was appointed Company Secretary in May 2021.

Cillian Murphy
MARKETING MANAGER

Cillian Murphy joined Kenmare in October 2016. He graduated with a BSc in Economics and Finance from University College Dublin. Cillian initially worked in Kenmare's Investor Relations and Corporate Development team before becoming a marketing executive. He has been Marketing Manager since January 2020.

Rajan Subberwal
GENERAL COUNSEL

Rajan Subberwal joined Kenmare in June 2013. He previously worked at Sullivan & Cromwell LLP in London and he trained at Clifford Chance LLP in London and Frankfurt. Rajan has a BA from Oxford University, an LLB from London University, and an LLM from Harvard Law School. He is admitted as a solicitor in Ireland and England and Wales, and as an attorney in New York.

CORPORATE GOVERNANCE REPORT

The Directors recognise the importance of corporate governance and ensure that appropriate corporate governance procedures are in place.

The 2018 UK Corporate Governance Code issued by the UK's Financial Reporting Council (FRC) in July 2018 (the "Code") applies to the Company as it has a premium listing on the London Stock Exchange. A copy of the Code can be obtained from the FRC's website, www.frc.org.uk. In the financial year under review, the Directors complied with all relevant provisions of the Code. The table on the right outlines the main Principles of the Code and where in this Annual Report there is further information on the application of the Principles.

Main Principles	**Pages**
Board leadership and company purpose	96, 101, 102 and 103
Division of responsibilities	97
Composition, succession and evaluation	98
Audit, risk and internal control	107, 121
Remuneration	124-139

Board leadership and Company purpose: Kenmare's Governance framework

Board of Directors

ROLE OF THE BOARD

The Board is collectively responsible for the leadership, oversight, control, development and long-term success of the Group. It works with management to set corporate vision and develop strategy, with the aim of creating long-term sustainable value for the Company's shareholders, while recognising and discharging wider responsibilities to other stakeholders, including employees, customers, suppliers and the communities in which it operates, and to the environment. The Board constructively challenges and holds to account the management team, in relation to both operational and financial performance of the Group and wider sustainability goals. It is also responsible for ensuring that accurate and understandable information is provided about the Group to shareholders, finance providers and other stakeholders on a timely basis.

The Board's responsibilities include:

- ensuring that appropriate management, development and succession plans are in place;
- reviewing the health, safety and sustainability performance of the Group, including its response to climate;
- approving the appointment of Directors and their remuneration and severance;
- ensuring that satisfactory dialogue takes place with shareholders;
- understanding the views of the Group's other key stakeholders and keeping engagement mechanisms under review so that they remain effective;
- assessing the basis on which the Group generates and preserves value over the long term;
- assessing and monitoring culture;
- providing a means for the workforce to raise concerns in confidence;
- a robust assessment of the Group's emerging and principal risks; and
- monitoring the effectiveness of the Group's risk management and internal control systems.

MATTERS RESERVED FOR THE BOARD

The Board has a formal schedule of matters specifically reserved for its decision, including:

- strategic decisions;
- risk management and internal controls;
- acquisitions and capital expenditure above agreed thresholds;
- approval of interim and final dividends and share purchases;
- changes to the capital structure;
- tax and treasury oversight;
- approval of half-yearly and annual financial statements;
- budgets and matters currently or prospectively affecting the Group and its performance;
- Board and Committee membership; and
- Remuneration policy.

This schedule is available at www.kenmareresources.com/en/about-us/corporate-governance

Supported by

AUDIT & RISK COMMITTEE

Monitors the appropriateness and integrity of the Group's financial reporting, external audit, internal audit and risk management processes.

NOMINATION COMMITTEE

Evaluates the composition of the Board to ensure an effective balance of skills and experience, and considers succession planning for Directors and Senior Executives.

REMUNERATION COMMITTEE

Determines the policy for remuneration of the Chair, the Executive Directors, the Company Secretary and such other Executive management as it is designated to consider.

SUSTAINABILITY COMMITTEE

Oversees the implementation of the Group's sustainability-focused corporate policies.

Responsibilities of members of the Board

DIRECTOR	RESPONSIBILITIES
Chair	The Chair leads the Board and is responsible for its overall effectiveness in directing the Company. The Chair should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the Chair facilitates constructive Board relations and the effective contribution of all Directors, and ensures that Directors receive accurate, timely and clear information.
Managing Director	The Managing Director is responsible for managing the Company and the Group on a day-to-day basis within policy parameters set by the Board.
Financial Director	The Financial Director is responsible for contributing to the attainment of the Company's business objectives by providing strategic and financial guidance to ensure that the Company's financial commitments are met and by developing all necessary policies and procedures to ensure the sound financial management and control of the Company's business.
Senior Independent Director	The Senior Independent Director (SID) provides a sounding board for the Chair and serves as an intermediary for the other Directors and shareholders.
Non-Executive Directors	The Non-Executive Directors' main responsibilities are to review the performance of management and the Group's financial information, assist in strategy development, and ensure that appropriate and effective systems of internal control and risk management are in place. They provide a valuable breadth of experience and independent judgement to Board discussions.

Summaries of the responsibilities of the Chair, Managing Director and Senior Independent Director can be found at www.kenmareresources.com/en/about-us/corporate-governance

Climate Strategy

Governance

The Chair, Andrew Webb, is responsible for overseeing Kenmare's sustainability strategy, including its Climate Strategy. The Sustainability Committee of the Board ensures expert oversight and provides both the Board and Executive Committee with direction on sustainability, including overseeing the development and review of the Company's Climate Strategy and management plan. Further details on the Sustainability Committee's responsibilities and the matters it reviewed in 2023 are on pages 114 to 116. In 2023, the Board's consideration of climate in the Company's strategy and capital allocation included updates from the Sustainability Committee on the development of the Climate Transition Plan due to be published in 2024, as well as updates from the Audit & Risk Committee on the financial assessment of physical and transition climate risk in preparation for TCFD disclosures.

Advocacy and lobbying

Kenmare welcomes the COP27 agreement on finance to provide "loss and damage" funding for vulnerable countries already being hit hard by climate disasters, with Mozambique being one of the countries most vulnerable to extreme weather events.

Kenmare is not a member of any trade associations. The Company supports the position of the International Council on Mining and Metals on climate, to achieve net zero by 2050 or sooner. Kenmare also supports policies that encourage investment in low-carbon technologies and supports disincentives for the ongoing use of fossil fuels.

Composition and operation of the Board

The Board consists of the Chair and eight Directors, of whom two are Executive and six are Non-Executive. Biographical details, including each Director's date of appointment, are set out on pages 92 and 93. The majority of the Board is made up of independent Non-Executive Directors. The Chair is required to be Non-Executive and independent on appointment.

The Board has delegated responsibility for management of the Group to the Managing Director and the management team.

A clear division of responsibility exists between the Chair, whose principal responsibility is the effective running of the Board and is not responsible for Executive matters regarding the Group's business, and the Managing Director, whose principal responsibility is running the Group's business on a day-to-day basis. A summary of the role and responsibilities of each of the Chair and the Managing Director can be found on the Company website at www.kenmareresources.com/about-us/corporate-governance.

The Board has delegated some of its responsibilities to four Committees of the Board: Audit & Risk, Remuneration, Nomination and Sustainability. Each Committee has written Terms of Reference that set out its authorities and responsibilities. These Terms of Reference are available for review at the Company's registered office and on the Company's website at www.kenmareresources.com/about-us/corporate-governance.

On 25 January 2023, Issa Al Balushi was appointed to the Board having been nominated by African Acquisitions S.à.r.l, the Company's largest investor and a company controlled by the Oman Investment Authority (OIA).

As a result, female Directors now comprise one-third of the Board and 11% of the Board is from an ethnic minority background. The current composition would meet the recommendations of the Parker Review and the Hampton-Alexander Review regarding Board ethnic and gender diversity respectively, were they applicable to the Company. Information required by the Listing Rules on the Board and Executive Committee's gender and ethnic diversity are in the Nomination Committee report on page 112. The diversity policy on Board appointment is set out in the Nomination Committee report on page 112 and incorporated into this report.

All Directors offer themselves for re-election at the Company's AGM in May 2024.

Commitments

Non-Executive Directors are expected to devote such time as is necessary for the proper performance of their duties. This will include attendance at regular Board and Committee meetings, the AGM and any extraordinary general meetings, Board dinners, occasional site visits and meetings with shareholders. In addition, they are required to consider all relevant papers prior to each meeting. They are required to obtain the agreement of the Board before accepting additional commitments that might affect the time they are able to devote to their role at Kenmare. This matter is considered by the Nomination Committee on an ongoing basis in accordance with its Terms of Reference.

Board meetings

The Board meets regularly to ensure that all its duties are discharged effectively. All Directors are expected to prepare for, and attend, meetings of the Board and the AGM. If a Director is unable to attend a Board meeting in person, teleconference arrangements are available to facilitate participation. In the event that a Board member cannot attend or participate in the meeting, the Director may discuss agenda items with the Chair, Managing Director or Company Secretary in advance of the meeting.

A schedule of Board and Committee meetings is circulated to the Board for the following year. A more detailed agenda and Board materials are made available electronically in the week preceding the meeting.

During 2023, the Board held seven meetings. Details of the Directors' and Company Secretary's attendance at Board and Committee meetings are set out below:

	FULL BOARD		AUDIT & RISK COMMITTEE		REMUNERATION COMMITTEE		NOMINATION COMMITTEE		SUSTAINABILITY COMMITTEE	
	A	B	A	B	A	B	A	B	A	B
Non-Executive Director										
Issa Al Balushi[1]	7	7								
Mette Dobel	7	7			2	2			4	4
Elaine Dorward-King	7	7	6	6			4	4	4	4
Clever Fonseca	7	7	6	5	5	5			4	4
Graham Martin	7	7			5	5	4	4		
Deirdre Somers	7	7	6	6	5	5	4	4		
Andrew Webb	7	7								
Executive Directors										
Michael Carvill	7	7								
Tom Hickey	7	7								
Company Secretary										
Chelita Healy[2]	7	7	6	6	5	5	4	4	4	4

Column A indicates the number of meetings held during the period the Director was a member of the Board and/or Committee.
Column B indicates the number of meetings attended during the period the Director was a member of the Board and/or Committee.

1 Issa Al Balushi was appointed as a Director on 25 January 2023.
2 In attendance only.

Board activities in 2023

STRATEGIC

	LINK TO STRATEGY	STAKEHOLDERS CONSIDERED
• Conducted an overall review of strategy covering product market evolution, capital projects and power requirements, valuation and market value, M&A • Developed and reviewed Board objectives for 2023 • Received a report at every Board meeting on corporate development opportunities and investor relations • Reviewed management succession plans	Deliver long-life, low-cost production Allocate capital efficiently	Shareholders, Lending Banks and Employees

OPERATIONS

	LINK TO STRATEGY	STAKEHOLDERS CONSIDERED
• Received reports at every Board meeting from the Chief Operations Officer on operational performance covering mining, processing, power supply, security, shipping, human resources and community relationships • Received an expert presentation as well as internal briefings on the security and political situation in Mozambique • Received updates at every meeting on the progress of development projects such as Nataka and the WCP B upgrade • Received a report at every Board meeting from the Marketing Manager on product markets and customer relationships • Reviewed power stability at Site, in particular the impact of the lightning strike in early 2023 and associated insurance claim • Reviewed pre-feasibility and definitive feasibility studies for the component parts of the Nataka project • Approved the purchase of two new dredges, the WCP A upgrade and TSF for the development of Nataka • Visited the proposed location for the TSF for Nataka and heard from Site management on the mining challenges faced	Operate responsibly Deliver long-life, low-cost production	Shareholders, Employees, Suppliers, Contractors and Communities

GOVERNANCE AND CORPORATE

	LINK TO STRATEGY	STAKEHOLDERS CONSIDERED
• Approved the appointment of Issa Al Balushi to the Board and approved the initiation of a search for an additional Non-Executive Director • Received reports on progress on the renewal of the Company's Implementation Agreement with the Government of Mozambique • Received and approved the report on arrangements for compliance with the Company's relevant obligations under Section 225 of the Companies Act 2014 • Approved the discretionary underpin for KRSP awards made to the Executive Directors in 2023 • Approved awards under the KRSP to employees and the Executive Directors • Considered and approved the Tender Offer • Reviewed and approved the Payments to Governments report for 2022 • Reviewed the results of the 2022 internal Board performance review and resulting action plan, and progressed items in that plan such as format of Board papers, feedback and revision of disaster recovery plans • Received updates at every Board meeting on investor relations and assisted in preparation for the Capital Markets Day • Approved the settlement of litigation	Operate responsibly	Shareholders, Employees, Government and Regulators

Board activities in 2022 continued

HEALTH AND SAFETY

	LINK TO STRATEGY	STAKEHOLDERS CONSIDERED
Received reports at every Board meeting from the Chief Operations Officer on health and safety performance at the Mine and measures taken to deal with the increased number of LTIs	Operate responsibly	Employees, Communities

FINANCE AND RISK MANAGEMENT

	LINK TO STRATEGY	STAKEHOLDERS CONSIDERED
• Received reports and presentations at every meeting from the Financial Director regarding the Group's financial performance • Received updates on the Group refinancing and subsequently approved the terms thereof in February 2024 • Reviewed the Group taxation • Reviewed the Group's cost management initiatives and capital expenditure management • Approved the Annual Report and Accounts for 2022 and the half-year results to 30 June 2023 • Considered the Company's distributable reserves in the context of payment of dividends and the buyback of the Company's shares • Approved a new dividend payout range • Reviewed the budget process and approved the Group's 2024 budget and operating plan • Reviewed the principal risks and uncertainties facing the Group • Reviewed impairment and sensitivities around the weighted average cost of capital • Received regular reports from the Chair of the Audit & Risk Committee	Allocate capital efficiently	Shareholders, Lending Banks and Governments

SUSTAINABILITY

	LINK TO STRATEGY	STAKEHOLDERS CONSIDERED
• Received updates from the Chief Operations Officer on environmental management, rehabilitation of land, power and water supply • Approved the Company's updated Climate Strategy • Received a presentation on Sustainable Investing • Received a briefing on sustainability regulatory matters • Received regular updates from the Chair of the Sustainability Committee • Received updates from the Chief Operations Officer and Country Manager on relations with the local community • Approved compliance roles under the GISTM • Visited rehabilitation areas and the Kenmare plant nursery	Operate responsibly	Communities, Government and Regulators, Shareholders

CULTURE

	LINK TO STRATEGY	STAKEHOLDERS CONSIDERED
• Received regular briefings on employee and community relations • Considered the results of the employee engagement survey undertaken in late 2022 and initiatives to deal with bullying and sexual harassment • Reviewed a briefing on organisational development and culture • Received regular reports from the Chair of the Sustainability Committee • Considered the report on workforce engagement during 2023 • Met with employees at the Moma Mine and with women from the Mtiticoma village to discuss their relationships with, and attitude to, Kenmare	Operate responsibly	Communities, Government and Regulators, Shareholders

Site visit

The Board of Directors visited the Moma mine in December 2023. It provided an opportunity for them to meet a wide range of staff, inspect operations, discuss project plans and meet with various community members.

Communities

The Board visited the resettled Isoa village and saw 84 newly constructed homes there. Elaine Dorward-King and Mette Dobel met with women from Mtiticoma village to discuss their business initiatives, including a kindergarten, cooking business and fish shop, as well as healthcare and employment with Kenmare. The positive impact of Kenmare on their livelihoods and health was clear.

Operations and projects

The Directors visited WCP A and received a briefing on slimes management and the potential for the use of artificial intelligence for the management of booster pumps. They then viewed the valley where it is proposed to build the Tailings Storage Facility for WCP A's operations in Nataka. WCP C's location provided a spectacular view of the area and the Board was updated on the challenges faced in mining the area. There was also a visit to WCP B and an in-depth discussion on moving into the wetlands there and how biodiversity can be protected. Lastly, the Board took the opportunity to fly over the Congolone deposit to familiarise itself with the landscape.

The Board spent time in the MSP and various laboratories and saw a new geometallurgical laboratory currently under construction – this will enhance the Company's ability to test and predict the content and quality of its products.

The Directors were keen to visit the warehouse and saw the significant improvements made there in relation to storage of parts and equipment. At the RUPS, employees explained the power supply to operations and also the operation of the RUPS, which helps to maintain a constant power supply to the MSP.

Rehabilitation

The rehabilitation team has been experimenting with slimes to improve the quality of rehabilitated soil. The Directors visited these trial areas and the process and results to date were explained to them. They also visited the Kenmare nursery and noted the increase in the variety of plants and crops being grown there since their last visit.

Employees

Mette Dobel, as the Non-Executive Director responsible for workforce engagement, and Graham Martin, as Chair of the Remuneration Committee, met with employees from a variety of levels and trades. More details of their discussions are at 109 and 126 respectively. The rest of the Board met with the Security team to commend them on their performance in dramatically reducing incidents of theft over the last 12 months. Before leaving Mozambique, the Board visited the Maputo office and met with finance and IT staff there. Throughout the visit, the Board met and engaged with workers from all departments and levels.

Board oversight of culture

The Board believes that Kenmare's strategy is supported and enabled by a unique and distinctive culture, which has been developed and sustained over many years. This culture is founded on the Company's values of Integrity, Commitment, Accountability, Respect and Excellence, which are embedded at every level of the organisation through a variety of policies, forums, tools, communications and supports.

The Board does not use a singular tool for monitoring and shaping culture – instead it draws on a number of sources to understand how employees and others feel about Kenmare and understand how this drives behaviours on a day-to-day basis. These include the following reports, metrics and other information channels:

KENMARE'S VALUES

Integrity **Commitment** **Accountability** **Respect** **Excellence**

VISIT TO MOMA MINE

The Board visited the Mine in December 2023. Physically meeting employees and Community members has proven to be one of the most effective tools in assessing the culture of the organisation and gauging stakeholders' attitudes towards Kenmare. More details on the visit are on page 101.

DIVERSITY AND INCLUSION

The Board believes that diversity and inclusion help the Company to attract, engage and retain the best talent; adapt and respond effectively to the changing expectations of its stakeholders; and find and innovate solutions to business challenges, leveraging on the diverse viewpoints, skills and experience of all employees and stakeholders. The Board-approved Employment policy seeks to create an environment where everyone is respected and valued. The Board places particular emphasis on promoting local content and employment and increasing female representation in the workforce. At year-end, nearly 16% of the Mine employees were women, compared with 14.5% in 2022. Kenmare aims to hire local people wherever possible and, in 2023, 97% of the workforce was Mozambican, and two-thirds were from the Nampula province, where the Mine is located. Various initiatives are in place, such as the Women's Forum, to encourage the retention of female staff and improvement in working conditions, where necessary. Levels of female participation in the workforce are set as targets for management by the Remuneration Committee and reported on to the Committee and Board.

WORKFORCE ENGAGEMENT

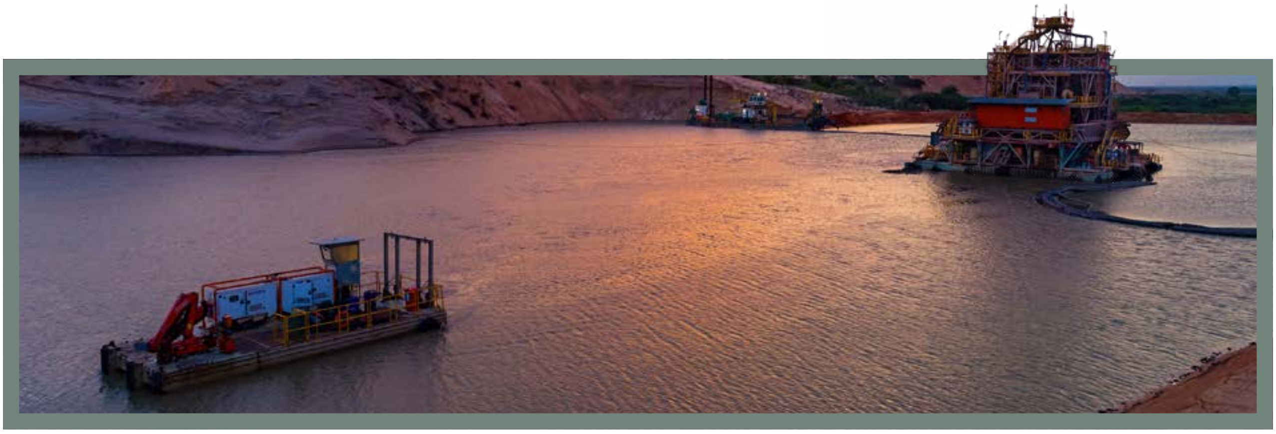
The Board believes that regular workforce engagement can greatly assist in understanding the impact and value of culture to the business and assessing its implementation by management. Mette Dobel has been designated as the Non-Executive Director responsible for workforce engagement. Her interaction with staff and feedback to the Board help the Board to assess workforce sentiment and address issues of concern. A report from Mette Dobel is set out on page 109. On its visit to the Mine in December, the Board had an opportunity to meet with a wide range of staff in a dedicated engagement session and on an informal basis to discuss life at Kenmare.

HEALTH AND SAFETY

A safe working environment is a fundamental plank of Kenmare's values. Kenmare's Health and Safety policy sets out its commitment to zero-harm, proactive management of safety risks, and maximising opportunities to enhance employee well-being. Performance against these objectives is monitored by the Board and Sustainability Committee, used as KPIs for management remuneration and externally audited.

EMPLOYEE ENGAGEMENT SURVEY

This helps the Board to understand how employees feel about the Company, their working environment and the culture. It is undertaken every two years and the results presented to the Sustainability Committee. It covers areas such as job fulfilment, respect, workload, teamwork and interaction with managers. The last survey was completed in late 2022 and reviewed by the Board in 2023. The results showed an employee satisfaction rating of 83%, 14% down since the last such survey. The Board looked at the reasons for this decrease and the actions to address them.



KENMARE MOMA DEVELOPMENT ASSOCIATION (KMAD)

The Board believes that Kenmare should be a catalyst for positive social and economic change in the Moma Mine area. One of the ways the Company achieves this is by supporting KMAD – a not-for-profit organisation established in 2004 to implement development programmes in the Moma Mine's host communities. Its community initiatives have four key focuses – livelihoods and economic development, healthcare development, water and sanitation, and education development. The Kenmare Country Manager and his team brief the Sustainability Committee on its activities and the Committee reviews and provides input into its strategy.

SUPPLY CHAIN CODE OF CONDUCT

The supply chain is an essential part of Kenmare's business and the Company recognises that its suppliers, through the goods and services they deliver in support of operations, create environmental, social and governance impacts that Kenmare is indirectly responsible for. It is Kenmare's vision for its entire supply chain to share its commitments in these areas and, to this end, the Company has put in place a Board-approved Supplier Code of Conduct, which draws together its various corporate policies and will help suppliers understand Kenmare's expectations regarding sustainable development. Suppliers may be audited or required by Kenmare to provide information to demonstrate compliance with the code.

POLICIES

Kenmare aims to be a trusted business and support transparent disclosure, so it can be accountable for its actions and commitments. All staff recognise their personal and collective responsibility in upholding Kenmare's business integrity. The Company's high standards are enshrined in its policies and the laws and regulations of Ireland, the UK and Mozambique. Its policies reflect these standards and expectations, and are approved and reviewed by the Board and relevant Committees.

COMPANY PURPOSE

During 2023, employees at Site and corporate employees took part in externally facilitated sessions to review the Company's stated purpose. Kenmare expects to finalise the review of its purpose in 2024 and it will be tested with employees throughout Kenmare before it is adopted and rolled out.

SUSTAINABILITY COMMITTEE

The Committee is tasked with managing health, safety, security, social and environmental risks, and facilitating progressive employment practices on operating sites. With this in mind, the Chief Operating Officer reports on health and safety matters (workforce and community) at every Sustainability Committee meeting. For example, in 2023, the Committee was briefed on all LTIs and the management response to address the situation. As of 31 December 2023, the team at Site achieved two million hours without an LTI.

RISK MANAGEMENT

Managing risk, including that to the well-being of the workforce and host communities, is an integral part of Kenmare's business. A comprehensive process is in place for assessing and managing risks associated with business and strategic corporate decisions. Through this process, significant risks faced by the Group are identified, evaluated and appropriately managed. Details of the risk management framework and the role of the Board and its Committees are set out on page 76.

WHISTLEBLOWING

Kenmare promotes a culture of openness and accountability and encourages staff to report suspected wrongdoing as soon as possible. Concerns can be raised with a line manager, externally with Safecall, an independent external reporting line or with the Chair of the Audit & Risk Committee or the General Counsel. Safecall reports are investigated by the Internal Auditor and reported on to the Audit & Risk Committee, and any concerns fed back from its Chair to the Board. Details of the reports received during 2023 are on page 121.

Read more about Kenmare's unique value proposition on pages 2 to 3

Independence of Non-Executive Directors

The Board has carried out an evaluation of the independence of its Non-Executive Directors, taking account of the relevant provisions of the Code and whether the Non-Executive Directors identified as independent discharge their duties in a proper and consistently independent manner, and constructively challenge the Executive Directors and the Board.

In January 2023, Issa Al Balushi was appointed to the Board by African Acquisition S.à.r.l, as provided for under the Subscription and Relationship Agreement entered into in 2016. As a result, Issa Al Balushi is not considered to be independent. The Board is satisfied that each of the other current Non-Executive Directors fulfils the independence requirements of the Code.

Andrew Webb has been Chairman of the Company since May 2022. On his appointment as Chairman, Andrew met the independence criteria as set out in the Code.

Senior Independent Director

Graham Martin is the Group's Senior Independent Director (SID). The principal role of the SID is to provide a sounding board for the Chairman and to act as an intermediary for other Directors and shareholders. The SID is responsible for the appraisal of the Chairman's performance throughout the year. He is also available to meet shareholders upon request, in particular if they have concerns that cannot be resolved through the Chairman or the Managing Director. A summary of the role of the SID can be found at www.kenmareresources.com/en/about-us/corporate-governance.

Directors' Compliance Statement

The Directors have drawn up a Compliance Policy Statement as defined in Section 225(3)(a) of the Irish Companies Act 2014. Arrangements and structures have been put in place that are, in the Directors' opinion, designed to secure material compliance with the Company's relevant obligations. These arrangements and structures were reviewed during the financial year to ensure they remained appropriate and comprehensive. The Directors' Compliance Statement is set out in full in the Directors' report on page 142.

Share ownership and dealing

Details of the Directors' interests in Kenmare shares are set out in the Annual Report on Remuneration on page 135. The Kenmare Resources plc Dealing policy applies to the Directors and to all employees. Under this policy, Directors and employees may not deal in Kenmare shares while they are in possession of inside information about the Group. Kenmare also operates a Dealing Code, which applies to the Directors and to employees who are able to access restricted information about the Group. Under the Dealing Code, Directors and relevant employees are required to obtain clearance from the Company before dealing in Kenmare shares and persons discharging managerial responsibilities are prohibited from dealing in the shares during closed periods, as defined by the Dealing Code.

Company Secretary and legal

The Directors have access to the advice and services of the Company Secretary who advises the Board and Committees on governance matters. The Company's Articles of Association provide that the appointment or removal of the Company Secretary is a matter for the Board.

Kenmare's General Counsel and Company Secretary provide advice, guidance and support to Executive and operational management and work closely with them to provide training to employees. Together they provide support on a range of matters including establishing policies and procedures, providing compliance training and communications, providing legal advice on compliance and business issues, monitoring and investigating whistleblower calls, and ensuring the Group is informed of any changes to regulation and/or reporting requirements. They work with the Head of Sustainability in relation to sustainability governance and, together with management at the Mine, review compliance and governance matters on a Group-wide basis. During 2023, workflows included CSRD preparation, putting in place various IT policies and updating the employee handbook and policies.

Directors may take independent advice in the furtherance of their duties at the Company's expense.

Induction and development of Directors

New Non-Executive Directors undertake a structured induction process, which includes a series of meetings with management, a briefing session with the General Counsel and the Company's corporate solicitors on the responsibilities of a Director under Irish law and applicable stock exchange rules, and a briefing with the Company Secretary regarding corporate policies.

External experts may be invited to attend certain Board or Committee meetings to address the Board (or relevant Committee, as the case may be) on relevant industry matters and on developments in corporate governance, risk management and Executive remuneration. Training and development requirements for the Directors are discussed in the Board performance review process and Directors are encouraged to undertake appropriate training on relevant matters. During 2023, management arranged for briefings to the Board on Mozambican legal developments, politics and security in Mozambique and sustainable investing, and made various courses (including a detailed one on risk management) available to the Directors on the Kenmare E-learning platform. In addition, all Directors have access to an online database, which is regularly updated with relevant publications, agreements and changes in legislation.

Board performance review

2021 Board performance review

In accordance with provisions of the Code, a performance review of the Board is carried out annually and facilitated externally every third year. In 2021, a comprehensive performance review of the Board and all of its Committees was conducted by Board Excellence Limited. A summary of the process and its findings can be found on page 86 of the 2021 Annual Report.

2023 Board performance review

In December 2023 and early 2024, the Chair, Andrew Webb, appraised the performance of the Board, Committees and each of the Non-Executive Directors and Graham Martin, the Senior Independent Director, evaluated the performance of the Chair.

The various phases of the internal performance review process are set out below.

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, a number of focus areas to improve Board effectiveness in 2024 have been identified. These include changes to the ways that the Board oversees and contributes to budgeting and capital allocation and how it evaluates internal and external investment opportunities.

Read more about Kenmare's business model on pages 24 to 25

PHASE 1

In December 2023, a questionnaire covering key aspects of Board and Committee effectiveness, including their composition, the content and conduct of meetings, interaction with management, the effectiveness of the Chair and the Directors' continuing education process, was made available online to all Directors. This was completed on an anonymous basis to facilitate openness in scoring and comments.

PHASE 2

Completed questionnaires, including views on performance and recommendations for improvement, were received by the Company Secretary in January 2024 and an analytics report was provided to the Board.

PHASE 3

Discussions were held by each of the Chair and the Senior Independent Director with each of the Directors individually to evaluate the performance of the Board and the Chair respectively.

PHASE 4

Each of the Committees considered the analytics report as part of the review of its performance and Terms of Reference and recommended any changes it considered necessary to the Board for approval.

PHASE 5

The Chair and the Senior Independent Director reported to the Board at its meeting in March 2024 on the findings and it was agreed that any action point arising therefrom would be considered in development of the Board objectives for 2024.

Powers of the Directors

Under the Articles of Association of the Company, the business of the Company is to be managed by the Directors who may exercise all the powers of the Company subject to the provisions of the Companies Act, the Constitution of the Company and to any directions given by resolution of a General Meeting (not being inconsistent with the Companies Act and the Articles of Association). The Articles of Association permit the Directors to delegate any of their powers, authorities and discretions to any committee provided that a majority of the members of a committee shall be Directors.

The Directors may also, from time to time appoint any company, firm or person to be the attorney(s) of the Company subject to such conditions as they may think fit.

The Articles of Association also provide that the Directors may establish any local or divisional boards or agencies for managing any of the affairs of the Company in any specified locality, either in Ireland or elsewhere, and may delegate to any such board or agent any of their powers, authorities and discretions upon such terms and subject to such conditions as the Directors may think fit.

Directors' powers in relation to the issuing or buying back by the Company of its shares are set out in the Directors' report on page 142.

Read more about Board succession on page 111

Appointment and removal of Directors

The Articles of Association empower the Board to appoint Directors but require such appointees to retire and submit themselves for re-appointment at the first Annual General Meeting following their appointment.

Under the Articles of Association, a third of the Board must retire annually but may offer themselves for re-election. However, in accordance with the provisions contained in the Code, the Board has decided that all Directors should retire annually at the Annual General Meeting and offer themselves for re-election.

Directors may be removed by the shareholders in a General Meeting of the Company.

Memorandum of Association and Articles of Association

The Company's Memorandum of Association and Articles of Association set out the objects and powers of the Company and may be amended by shareholders at a General Meeting of the Company by special resolution (requiring the resolution to be passed by 75% of the eligible votes).

General meetings and shareholders' rights

Under the Articles of Association, the power to manage the business of the Company is generally delegated to the Directors. However, the shareholders retain the power to pass resolutions at a General Meeting of the Company, which may give directions, not being inconsistent with the Companies Act and the Articles of Association, to the Directors as to the management of the Company.

The Company must hold a General Meeting each year as its Annual General Meeting, in addition to any other meetings in that year. The Annual General Meeting will be held at such time and place as the Directors determine. All General Meetings, other than Annual General Meetings, are called Extraordinary General Meetings. The Directors may at any time call an Extraordinary General Meeting. Extraordinary General Meetings shall also be convened by the Directors on the requisition of members holding, at the date of the requisition, not less than 5% of the paid-up capital carrying the right to vote at General Meetings.

No business may be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Three persons entitled to attend and to vote upon the business to be transacted, each being a member, or a proxy for a member, constitutes a quorum.

The shareholders have the right to receive notice of a General Meeting. In the case of an Annual General Meeting or of a meeting for the passing of a special resolution, 21 clear days' notice at the least, and in any other case 14 clear days' notice at the least, needs to be given in writing in the manner provided for in the Articles to all the members (subject to any restrictions imposed on any shares), to the Directors, the Company Secretary and the auditors, and any other person entitled to receive notice under the Companies Act. The shareholders also have the right to attend, speak, vote and ask questions at General Meetings. In accordance with Irish company law, the Company specifies record dates for General Meetings, by which date shareholders must be registered in the Register of Members of the Company to be entitled to attend. Record dates are specified in the notes to the Notice of a General Meeting. Shareholders may exercise their right to vote on some, or all, of their shares by appointing a proxy or proxies, by electronic means or in writing. The requirements for the receipt of valid proxy forms are set out in the notes to the notice convening the meeting. A shareholder, or a group of shareholders, holding at least 3% of the issued share capital of the Company has the right to put an item on the agenda of the Annual General Meeting or to table a draft resolution for inclusion in the agenda of a General Meeting, subject to certain timing requirements prescribed by the Companies Act, and any contrary provision of Irish company law.

Voting at any General Meeting is by a show of hands unless a poll is properly demanded. On a show of hands, every member who is present in person or by proxy has one vote regardless of the number of shares they hold. On a poll, every member who is present in person or by proxy has one vote for each share they hold. A poll may be demanded by the Chair of the meeting or by at least three members having the right to vote at the meeting, or by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting, or by a member or members holding shares in the Company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to, and not less than, one-tenth of the total sum paid up on all shares conferring that right.

Deadlines for exercising voting rights

Voting rights at General Meetings of the Company are exercised when the Chair puts the resolution at issue to a vote of the meeting. Where a person is appointed to vote for a shareholder as proxy, the instrument of appointment must be received by the Company not later than the latest time approved by the Directors.

Audit, risk and internal control

Board's approach to risk management and internal control

The Board of Directors has responsibility for the Group's systems of internal control and risk management. This involves an ongoing process of identifying, evaluating and managing the significant risks faced by the Group and regularly reviewing the effectiveness of the resultant systems of internal control and risk management that have been in place throughout the financial year and up to the date of approval of the Annual Report and Accounts. The Board has delegated to management the planning and implementation of the system of internal control throughout the Group. The system of internal control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss. Both it, and the risk management system, accord with the Financial Reporting Council's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting (September 2014). The key elements of the systems include the following:

- The Board, in conjunction with management, identifies the major risks faced by the Group and determines the appropriate course of action to manage these risks;
- Risk assessment and evaluation are an integral part of the management process throughout the Group. Risks are identified and evaluated and appropriate risk management strategies are implemented;
- The Board maintains control and direction over appropriate strategic, financial, organisational and compliance issues, and has put in place an organisational structure with defined lines of responsibility and authority; and
- Capital expenditures are controlled centrally and, if in excess of predefined levels, are subject to approval by the Board.

Review and effectiveness of the risk management and internal control systems

The Board conducted a review of the effectiveness of the Group's risk management and internal controls systems, including financial, operational and compliance controls, and as part of this it obtained a report from the internal auditor. In the course of this review the Board did not identify, nor was it advised of, any failings or weaknesses that it determined to be significant.

Compliance policies and training

Kenmare insists on honesty, integrity and fairness in all aspects of its business and expects the highest standards of professionalism and ethical conduct to be maintained in all its activities. The Group has detailed policies and procedures in place on a range of relevant areas such as climate, employment, health and safety, environment, human rights and business ethics, which had recently been updated and consolidated (where appropriate). Depending on the nature of their role, Directors and employees of the Group receive more detailed training on those policies both as part of their induction process and Kenmare's ongoing training programme. An e-Learning programme, which includes topics such as insider dealing, risk, market abuse regulation and whistleblowing, has been put in place and update briefings are provided when there are any material changes in law or regulation.

Whistleblowing

Kenmare promotes a culture of openness and accountability and encourages staff to report suspected wrongdoing as soon as possible, in the knowledge that their concerns will be taken seriously and investigated as appropriate, and that their confidentiality will be protected wherever possible. Concerns can be raised with a line manager, externally with Safecall (an independent external reporting line) or with the Chair of the Audit & Risk Committee or the General Counsel. Whistleblowers may raise concerns anonymously if they wish. Kenmare's policies make clear that retaliation against any employee who raises a genuine concern is prohibited. Where concerns are raised, they are investigated in an appropriate and independent manner.

All whistleblowing incidents are reviewed by the Internal Auditor and General Counsel and formally investigated by the Internal Auditor who reports findings to the Audit & Risk Committee. The Audit & Risk Committee reviews these reports and outcomes and provides updates to the Board.

Stakeholder engagement

Kenmare has adopted a Stakeholder Engagement Policy (available on its website at www.kenmareresources.com/sustainability/policies) pursuant to which it will, inter alia:

- Engage openly and honestly with its key stakeholders using appropriate communication tools and in a regular and timely manner, having regard to commercial sensitivities; and
- Consult with and listen to all its stakeholders transparently and resolve disagreements.

More details on stakeholder engagement can be found on pages 22 and 23.

Community engagement

Kenmare values highly its strong relationship with its host communities. Its stakeholder engagement plan is updated annually and reflects the changing dynamics in the relationship between the Mine and the community. Kenmare works with local communities through the Kenmare Moma Development Association (KMAD). Read more on page 64 or read the KMAD Annual Report 2023 at: www.kenmareresources.com/en/sustainability/kmad.

The Board visited the Moma Mine in December 2023. More details on the visit are on page 101.

Read more about the Audit & Risk Committee on pages 118 to 123

Read more about the Directors' visit to Moma on page 101

Workforce engagement

The Board has designated Mette Dobel as the Non-Executive Director responsible for engagement with the Group's workforce. In December 2023, Mette Dobel met with employees at the Moma Mine. She had subsequent video calls with staff in Maputo, London and Dublin. More details on workforce engagement are on page 109.

Shareholder engagement

Communications with shareholders are given high priority. Annual Reports and Accounts are sent to shareholders in accordance with their instructions. Major transactions and production guidance are also notified to the market, and the Company's website www.kenmareresources.com, provides the full text of all announcements. The website also contains a significant amount of published material such as Annual Reports, half-year results, governance documents, share price information and investor presentations. In addition, the Company maintains several social media accounts on platforms such as X, LinkedIn and Facebook, which are regularly updated with operational, financial and sustainability-focused news.

Shareholder presentations are made at the time of release of the Company's full-year and half-year results, following which the Executive Directors and Investor Relations team provide feedback on the views of shareholders and analysts to the Board. Where necessary, the Board and Committee Chairs engage with shareholders on specific topics and, where relevant, provide feedback to other Directors. The Chair and Senior Independent Director are also available throughout the year to meet shareholders on request.

The Board is kept informed of the views of shareholders through the Executive Directors' attendance at investor presentations and results presentations. Relevant feedback from such meetings, investor relations reports and brokers' notes are provided to the entire Board on a regular basis. The Board also receives briefings from the Company's brokers.

Capital Markets days and Mine visits for major shareholders are held periodically. A Capital Markets Day was held in London in April 2023 and featured presentations by the Executive Directors and management. These are available on the Company's website.

On an ongoing basis, the Investor Relations team acts as a focal point for contact with investors and provides information and deals with queries as they arise. The Company Secretary engages annually with proxy advisers in advance of the Company's AGM. The Company's AGM affords shareholders the opportunity to question the Chair and the Board.

OIA relationship agreement

OIA (formerly the State General Reserve Fund ("SGRF")) currently does not fall within the definition of controlling shareholder under the Listing Rules as it holds less than 30% of Kenmare's equity. However, the Company and African Acquisition S.à.r.l., the vehicle through which SGRF invested in the Company, have entered into arrangements equivalent to those that would be expected to be in place between a listed company and its controlling shareholder. This is to ensure the independence of the Company from that shareholder. In particular, the Company entered into a subscription and relationship agreement, dated 18 June 2016, with African Acquisition S.à.r.l. that, among other things, sets forth the relevant arrangements.

Substantial holdings

The Company is not owned or controlled directly or indirectly by any government or by any corporation or by any other natural or legal person severally or jointly. The major shareholders do not have any special voting rights. Details of the substantial holdings as at 31 December 2023 and 27 March 2024 are provided on page 143.

Stock exchange listings

Kenmare, which is incorporated in Ireland and subject to Irish company law, has a premium listing on the London Stock Exchange (LSE) and is subject to the Listing Rules of the UK Listing Authority.

Kenmare has a secondary listing on Euronext Dublin. For this reason, the Company is not subject to the same ongoing listing requirements as those which would apply to an Irish company with a primary listing on Euronext Dublin, including the requirement that certain transactions require the approval of shareholders. For further information, shareholders should consult their own financial adviser.

AGM update

The AGM is an opportunity for the Executive Directors to deliver presentations on the business and for shareholders, both institutional and private, to question the Board directly. Generally, all Directors attend the AGM and are available to meet with shareholders. Notice of the AGM, proxy statement and the Annual Report and financial statements are sent to shareholders at least 21 days before the meeting. A separate resolution will be proposed at the AGM on each separate issue including a particular resolution relating to the adoption of the Directors' report and Auditor's report and the financial statements. Details of the proxy votes for and against each resolution, together with details of votes withheld, are announced after the result of the votes by hand. These details are published on the Company's website following the conclusion of the AGM. At the AGM held on 11 May 2023, there were no material votes cast against any resolutions.

Workforce engagement

"This year's engagement with our employees across various locations has provided invaluable insights, reinforcing our commitment to a positive, inclusive, and forward-looking workplace culture.

Throughout the interactions, a collective sense of pride in being part of Kenmare was evident. Employees appreciate the open dialogue and low hierarchy, which fosters a culture of belonging and inclusivity. Our focus on safety over production was highlighted as a distinctive Kenmare trait, setting us apart in the mining industry and reinforcing our commitment to employee well-being and community engagement.

The autonomy employees have in influencing their work, coupled with a trust-based leadership approach, has been highly commended. I have heard a general appreciation of the continued investment in leadership training, which has positively impacted management and employee relations, enhancing the overall quality of leadership within the Company.

Our efforts in localising our workforce and increasing diversity continue to be positively received. These initiatives not only bring us closer to the communities we operate in but also enhance our organisational culture, making Kenmare a more inclusive and diverse place to work.

The feedback from the 2022 workforce engagement survey has been instrumental in identifying areas for improvement. While we have a highly engaged workforce, issues like bullying and sexual harassment, though minimal, are being taken seriously. The management's commitment to resolving these issues and enhancing the overall employee experience is unwavering.

A theme across our interactions was the need for innovative work methods and embracing new technologies. Modernising our systems and encouraging innovative thinking are areas we're keen to develop, ensuring Kenmare stays at the forefront of efficiency and productivity.

The insights gathered from our diverse workforce are a guiding light for our continuous improvement. As we evolve, these perspectives help us identify our strengths and areas where we can enhance our work environment. The Board is dedicated to ensuring that Kenmare remains a responsible, engaging, and forward-thinking organisation, where safety, employee welfare, and inclusive growth are at the heart of everything we do. Our journey this year has been one of meaningful engagement and learning, and we are committed to using these insights to foster a workplace where every employee feels valued and empowered to contribute to our collective success."

Mette Dobel
DESIGNATED WORKFORCE ENGAGEMENT DIRECTOR

3 April 2024

NOMINATION COMMITTEE REPORT

"KENMARE RECOGNISES THE BENEFITS OF DIVERSITY AND ITS OBJECTIVE TO ACHIEVE GREATER DIVERSITY AT BOARD, COMMITTEE AND SENIOR MANAGEMENT LEVEL, AS WELL AS ACROSS THE WIDER WORKFORCE"

Graham Martin
CHAIR OF THE NOMINATION COMMITTEE

Membership and meetings

The Nomination Committee consists of Elaine Dorward-King, Deirdre Somers and me, all of whom are Independent Non-Executive Directors.

There were four Committee meetings during 2023. These were attended by all Committee members.

Committee membership

	INDEPENDENT	DATE OF APPOINTMENT TO COMMITTEE
Graham Martin Chair	Yes	25/05/2017
Elaine Dorward-King Member	Yes	13/05/2020
Deirdre Somers Member	Yes	31/12/2021

Principal responsibilities of the Committee

- Regularly reviewing the structure, size, composition and length of service of the Board and making recommendations to the Board with regards to changes considered advisable;
- Assessing the effectiveness and performance of the Board and Committees including consideration of the balance of skills, knowledge, independence, diversity and experience of the Board and Committees, and other factors relevant to its effectiveness;
- Considering succession planning for Directors and other Senior Executives, taking into account the challenges and opportunities facing the Group, what skills and expertise are needed in the future, and ensuring a diverse pipeline for succession;
- Identifying, and nominating for the approval of the Board, candidates for appointment as Directors and ensuring that there is a formal, rigorous and transparent procedure for appointment;
- Considering the results of the Board performance review process that relate to the composition of the Board, its diversity and how effectively the members of the Board work together; and
- Periodically reviewing the time input required from a Non-Executive Director.

The standard terms of contract for Non-Executive Directors are available on request from the Company Secretary, at the Company's registered office during normal business hours, and at the Annual General Meeting (for 15 minutes prior to the meeting and during the meeting).

See the Committee's Terms of Reference at www.kenmareresources.com/en/about-us/corporate-governance/nomination-committee

Dear shareholders

I am pleased to present the report of the Nomination Committee for 2023. During the year, the Committee met four times and the main areas of focus were the skills and experience of existing Board members, external appointments and time commitment, diversity on the Board, succession planning, the search for a new Non-Executive Director, the composition of the Board's Committees, and the Board performance review. This report describes how the Committee has fulfilled its responsibilities during the year under its Terms of Reference and under the relevant requirements of the UK Corporate Governance Code 2018.

Board succession and changes this year

On 25 January 2023, Issa AL Balushi joined the Board, having been nominated by African Acquisition S.à.r.l. which is controlled by Oman Investment Authority (OIA) and is Kenmare's largest investor. Issa is a Manager in Economic Diversification Investments at OIA and has over 10 years of experience in the financial industry and investment. He was elected as a Director at the AGM in May 2023. The process employed by the Company for Board appointments other than following a nomination by OIA is set out below.

Process for Board appointments

STAGE 1
The Committee approves a role specification based on skills and experience required and the Diversity and Inclusion policy.

STAGE 2
An independent search agent is appointed.

STAGE 3
The Committee considers a longlist and then a shortlist of potential candidates and holds interviews.

STAGE 4
The Committee identifies its preferred candidate.

STAGE 5
The preferred candidate is invited to meet with all Board members and due diligence is carried out.

STAGE 6
The Committee makes a recommendation to the Board for consideration.

STAGE 7
The appointment is approved by the Board and announced.

STAGE 8
The induction process is commenced.

Training

Directors have access to an online training platform, which allows them to update and refresh their knowledge in their own time. We also invite external experts to present to the Board on specific topics of interest from time to time. During 2023, tailored updates on Mozambican legal developments, politics and security in Mozambique, sustainable investing and risk were provided by Kenmare to the Directors.

Executive Director succession planning

A priority of the Board and the Committee over the past number of years has been enhancing our long-term succession planning for the Executive Directors and this is typically at least an annual agenda item at meetings of the Committee and the Board.

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

Management succession

Each year the Committee considers the leadership needs of the Group and succession planning for other senior management roles.

During the year, the Committee received updates from management on succession planning activities throughout the Group. The Committee, and the wider Board, also engages with the potential pipeline for succession as members of the senior management team present at Board and strategy meetings.

Read more about our Committees on page 96

Committee composition

Mette Dobel was designated by the Board as the Non-Executive responsible for workforce engagement on 10 May 2023 and she joined the Remuneration Committee with effect from 1 September 2023. Save for this, there were no changes in the composition of Committees or in Board roles.

Diversity and inclusivity

Kenmare recognises the benefits of diversity and its objective to achieve greater diversity at Board, Committee and senior management level, as well as across the wider workforce. This is supported by the Group's Employment policy, which can be found at www.kenmareresources.com/en/sustainability/policies.

The Board keeps this policy under review to ensure that it is effective in achieving diversity in its broadest sense, having regard to experience, age, sex and gender, religious beliefs, sexual orientation, race, ethnicity, disability, nationality, educational, socio-economic or professional background and culture but bearing in mind the need for an appropriately sized Board. We instruct any search consultants we engage to consider this in sourcing candidates. We recognise that diversity aids implementation of our strategy by providing the Board with different ways to tackle an issue, healthy debate and challenge of the Board and the Executive team as well as making Kenmare more adaptable to changes in our environment.

While the Board will always seek to appoint candidates on merit against objective criteria, greater diversity is actively considered when making Board appointments and will continue to be given careful consideration as part of the process of Board refreshment and renewal.

Most of our Board appointments in recent years have been female and we achieved our target of 33% female representation on the Board in 2022. Given the proportion of new appointees to the Board, we felt that a certain adjustment period, while Directors settled into their roles, was appropriate and did not wish to enlarge the Board. However, in 2023, following a review by the Committee of new and pending regulatory requirements regarding gender and ethnic diversity, as well as the skills, qualifications and experience of the existing Board, the Committee believed it was an appropriate time to initiate a search for an additional female Non-Executive Director and the Board supported its recommendation. The Committee engaged Korn Ferry to carry out such a search. Korn Ferry is an independent executive search firm, with no connections to the Company or any of the Directors. We are currently in the process of reviewing a longlist of potential candidates. This process 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 and, following its successful conclusion, women will represent 40% of our Board.

33.3%
Female Board representation

Gender and ethnic breakdown of the Board and the Executive Committee as at 31 December 2023 are set out in the tables below. There has been no

	NUMBER OF BOARD MEMBERS	PERCENTAGE OF THE BOARD	NUMBER OF SENIOR POSITIONS ON THE BOARD (CEO, CFO, SID AND CHAIR)	NUMBER ON EXECUTIVE COMMITTEE	PERCENTAGE OF EXECUTIVE COMMITTEE
Men	6	67	4	9	82
Women	3	33	–	2	18
Not specified/prefer not to say	–	–	–	–	–

	NUMBER OF BOARD MEMBERS	PERCENTAGE OF THE BOARD	NUMBER OF SENIOR POSITIONS ON THE BOARD (CEO, CFO, SID AND CHAIR)	NUMBER ON EXECUTIVE COMMITTEE	PERCENTAGE OF EXECUTIVE COMMITTEE
White British or other White (including minority-white groups)	8	89	4	9	82
Mixed/multiple ethnic groups	–	–	–	1	9
Asian/Asian British	–	–	–	1	9
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	1	11	–	–	–
Not specified/prefer not to say	–	–	–	–	–

16%
Female workforce at Moma

change in the data since that date. While we met the target in the Listing Rules for ethnic diversity, the targets for women on the Board and in senior Board positions were not met, for the reasons previously set out. We have, however, made significant strides in our search for an additional female Non-Executive Director as noted. In addition, the Board's current intention is to appoint one of our female Directors as Senior Independent Director following my retirement in 2025. Lastly, although they are not applicable to us, we support and currently meet the Board gender and diversity recommendations of the Hampton-Alexander review and Parker review respectively.

The Board and Executive Committee are committed to increasing female representation in senior leadership positions across the Group. We are making progress with this objective, with 18.2% of the Executive Committee being female and a further seven women in their direct reports.

The Board and management continue to focus on evolving and implementing strategies for recruiting and developing colleagues in ways that promote diversity and inclusion such as a KPI regarding the percentage of women in the workforce and working with current female employees to improve hiring and retention rates. Further details of our approach to diversity in the workforce can be found on page 63 and in the Sustainability Report.

The data contained in the tables on the opposite page was collected on the basis of self-reporting by the individuals concerned who were asked to indicate, by ticking the relevant box, which (if any) of the categories they identified as.

Additional Directorships

Non-Executive Directors are expected to devote such time as is necessary for the proper performance of their duties. This will include attendance at regular Board and Committee meetings, the AGM and any extraordinary general meetings, Board dinners, occasional site visits and meetings with shareholders. In addition, they are required to consider all relevant papers prior to each meeting. They are required to obtain the agreement of the Board before accepting additional commitments that might affect the time they are able to devote to their role at Kenmare.

During the year, Elaine Dorward-King was appointed as Non-Executive Director of Nevada Copper Corp, a Canadian copper mining company listed on the Toronto Stock Exchange and Mette Dobel was appointed as a Non-Executive Director of M&J Recycling ApS, a private Danish recycling company. In early 2024, the Board approved the appointment of Andrew Webb as a Non-Executive Director and Chair designate of Ecora Resources plc, a royalty company listed on the London Stock Exchange. In all cases, the Chair and, in the case of Andrew, the Board, was satisfied with each Director's capacity to take on such additional role without any impact on their work with Kenmare and that there was no resulting conflict of interest.

In 2023, the Committee reviewed the external appointments held by all Directors and their time commitment to Kenmare and found these to be satisfactory.

Board effectiveness

In accordance with provisions of the Code, a Board performance review is carried out annually and facilitated externally every third year. An external performance review was conducted by Board Excellence in 2021 and this is summarised on page 86 of the 2021 Annual Report. An internal Board performance review was carried out in 2023 by Andrew Webb, as Chair, and by myself in respect of Andrew's performance. The review is summarised on page 105 of the Corporate Governance section and incorporated into this report by reference. The review indicated a high level of satisfaction with the composition, performance and effectiveness of the Board, its Chair and Committees and found that there are good communications both within the Board/Committees and with management. However, some areas for improvement were identified such as strengthening the processes by which the Board oversees budgeting and capital allocation planning, and how we evaluate internal and external investment opportunities. These will be dealt with throughout the year.

Read more about the recent Board performance review on page 105

Committee effectiveness and priorities for 2024

The Committee's performance and effectiveness was also considered as part of the recent internal Board performance review. I am pleased to say that the Committee was found to be working effectively and efficiently.

Priorities for 2024 include the search for a new Managing Director, concluding the current search for an additional Non-Executive Director, and a renewed focus on Executive and senior management succession.

Acknowledgements

I would like to thank the Committee members for their commitment and input to the work of the Committee in 2023, and Chelita Healy, our Company Secretary, for her invaluable support to the Committee.

Graham Martin
CHAIR OF THE NOMINATION COMMITTEE

3 April 2024

SUSTAINABILITY COMMITTEE REPORT

“THREE MILLION HOURS WORKED WITHOUT A LOST TIME INJURY IS A SIGNIFICANT ACHIEVEMENT, POSSIBLE THANKS TO THE DEDICATION OF LEADERS AND ALL EMPLOYEES, WHICH I COMMEND THEM FOR AND ENCOURAGE THEM TO STRIVE FOR EACH AND EVERY DAY.”

Elaine Dorward-King
CHAIR OF THE SUSTAINABILITY COMMITTEE

CLEVER FONSECA
Committee member

METTE DOBEL
Committee member

Membership and meetings

The Sustainability Committee consists of Clever Fonseca, Mette Dobel, and myself as Chair, all of whom are Independent Non-Executive Directors. The Committee met four times in 2023 and details of members’ attendance thereat are set out on page 98.

Committee membership

	INDEPENDENT	DATE OF APPOINTMENT TO COMMITTEE
Elaine Dorward-King Chair	Yes	4/11/2019
Clever Fonseca Member	Yes	2/10/2019
Mette Dobel Member	Yes	31/12/2022

Principal responsibilities of the Committee

- To oversee the management of health, safety, security, social and environmental risks, and facilitate progressive employment practices;
- To ensure fair land access, compensation, and timely rehabilitation arrangements;
- Advocate for socio-economic development on behalf of our host communities, particularly relating to livelihoods, healthcare, education, and water and sanitation;
- Incorporate management of climate change and other sustainability issues into Group plans, with external reporting where appropriate to recognised international norms; and
- Monitor socio-political developments within the region and Mozambique.

See the Committee’s Terms of Reference at www.kenmareresources.com/en/about-us/corporategovernance/sustainability-committee

Dear shareholders

I am pleased to present the Sustainability Committee's 2023 report. During the year, the Committee met four times, three times in person and once by video conference. We were also fortunate to visit the Moma Mine and communities in December. The main areas of focus for our meetings are set out on the following pages. This report describes how the Committee has fulfilled its responsibilities during the year under its Terms of Reference and under the relevant requirements of the UK Corporate Governance Code 2018.

2023 sustainability performance

The Company experienced an upward trend in Lost Time Injuries (LTIs) up until the third quarter, at which point, Kenmare's leadership and management teams intervened with several safety down times to reinforce the message that safety must always be prioritised over production. Increased attention was given to safety issues in all planned and unplanned activities that followed, and the team was able to arrest the declining performance and ended the year strongly, with zero LTIs in Q4. The rolling 12-month Lost Time Injury Frequency Rate was 0.15 LTIs per 200,000 hours worked for 2023 and the team passed three million hours worked without an LTI in late February 2024. I commend the team on this turnaround and for their resilience and commitment to safety. The Moma Mine again retained its NOSA five-star accreditation, which is aligned to ISO 45001 and ISO14001 International Standards, for its health, safety and environmental performance for an eighth consecutive year.

Kenmare continued to work on a Climate Transition Plan that aims to deliver a rate and pace of decarbonisation required by scientific consensus to limit average global temperature increases to 1.5°C The Company uses 100% hydroelectric grid electrical power, which represents 54% of its overall power consumption, so further rapid decarbonisation will be a challenge. The Committee reviewed proposals on decarbonisation projects, including the sourcing and blending of biodiesel into operations. A key intervention, the Rotary Uninterruptible Power Supply (RUPS), operated for a full year in 2023, significantly contributing to power stability and a year-on-year carbon emissions reduction of 14%. We are focused on both delivering the short-term emissions reduction target of 12% by 2024 (relative to a 2021 baseline) and setting an ambitious but achievable ambition for 2030, to pave the way to net zero Scope 1 and 2 emissions by 2040. You can read more about our decarbonisation and energy challenges and opportunities in our climate disclosures on pages 66 to 70.

3 million
Hours worked without a Lost Time Injury by late February 2024

Kenmare's commitment to local socio-economic development continued. We grew the proportion of local procurement operating expenditure by 3.2% and agreed six new contracts with local suppliers. In addition, the Kenmare Moma Development Association (KMAD) continues to support micro-businesses and encourages their inclusion in Kenmare's supply chain. KMAD provided interest free loans and business support to 22 micro-ventures in 2023. Successful businesses included mobile banking, suppliers of vegetables to the Mine's catering service, sewing, motor repair shop and community nurseries, all of which have repaid or are on track to repay their loans, demonstrating their ongoing sustainability.

We continued to make steady progress on increasing the representation of women in our business and, by the end of 2022, 16% of the workforce at the Mine was female (2022: 14.5%) with women making up 40% of the senior management there (2022: 25%). The Mine's workforce comprised 97% Mozambican employees, 2% above regulatory requirements. Of the management roles, 85% at Moma (supervisor and above) are held by Mozambicans, including the General Manager.

Committee effectiveness and priorities for 2024

An external evaluation of the Committee's performance and effectiveness is conducted every three years. In the intervening years, this evaluation is carried out internally. The 2023 evaluation found that the Committee operates effectively. In 2024, the Committee's priorities include reviewing the draft Biodiversity Offset Management Plan in advance of submission to the government, approving a Climate Transition Plan with interim decarbonisation targets, reviewing progress to further alignment with GISTM and overseeing the first year of adherence to the EU's Corporate Sustainability Reporting Directive (CSRD).

Conclusion

I would like to thank the Committee members for their commitment and input to the work of the Committee during 2023. I would also like to thank Michael Carvill, Managing Director, for his continued leadership, Ben Baxter, Higino Jamisse and his management teams for their efforts on our environmental and supply chain programmes, Anna Brog for her guidance, and Gareth Clifton and Regina Macuacua for their dedication to strong community relations.

Elaine Dorward-King
CHAIR OF THE SUSTAINABILITY COMMITTEE

3 April 2024

Read more about Health & Safety on page 62

SUSTAINABILITY COMMITTEE REPORT CONTINUED

Areas of focus in 2023

AREA OF FOCUS	SUSTAINABILITY COMMITTEE ACTION
ESG strategy, targets and reporting	• Reviewed and approved Executives' and site 2024 ESG targets and progress against 2023 ESG targets • Reviewed regular updates on reporting requirements
Safe and engaged workforce	• Received updates at every meeting on health and safety of employees including background and response to any Lost Time Injuries (LTIs) • Received a briefing on the employee health and wellness programme • Reviewed health and safety culture and plans for improvement • Reviewed the findings of the Employee Engagement and Leadership survey and ongoing leadership training • Briefed on initiatives to uphold the Company's zero tolerance of bullying and sexual harassment • Reviewed progress on the security strategy
Thriving communities	• Reviewed plans for supplier capacity building and programmes to increase local expenditure • Discussed local procurement in 2022 and plans for its improvement in 2023 • Received updates at every meeting on community relations
A healthy natural environment	• Received an update on the implementation of the Company's water strategy and progress against water reuse targets • Oversaw research into biofuels options • Participated in a workshop on biodiversity with an expert speaker and approved the Nature Positive commitments proposed by management • Approved draft Climate Transition plan and standards against which to measure emission reductions • Approved the Company becoming a signatory to the Global Tailings Management Institute (GTMI) and approved Global Industry Standard on Tailings Management (GISTM) compliance roles
Trusted business	• Reviewed procedures for supply chain due diligence and audit • Reviewed updates on all Sustainability policies • Received an update on the political landscape in Mozambique
Terms of reference	• Considered its Terms of Reference to ensure they remain appropriate for the Group's needs. The Terms of Reference are available on the Kenmare website at www.kenmareresources.com/en/about-us/corporategovernance/sustainability-committee

AUDIT & RISK COMMITTEE REPORT

“AS THE COMMITTEE’S ROLE IN ESG OVERSIGHT DEVELOPS, WE HAVE CONSIDERED HOW WE CAN WORK OPTIMALLY WITH THE SUSTAINABILITY COMMITTEE TO ENSURE COORDINATION AND CONSISTENCY”

Deirdre Somers
CHAIR OF THE AUDIT & RISK COMMITTEE

ELAINE DORWARD-KING
Committee member

CLEVER FONSECA
Committee member

Membership and meetings

The Audit & Risk Committee consists of Clever Fonseca, Elaine Dorward-King and me, as Chair, all of whom are Independent Non-Executive Directors. As outlined in the Directors’ biographical details, members bring considerable accounting, corporate financial and mining industry experience to the work of the Committee. I am a Chartered Accountant and have been designated by the Board as the Committee’s financial expert. Details of the skills and experience of the Committee members are set out on pages 92 and 93. Details of members’ attendance at Committee meetings are set out on page 98.

Committee membership

	INDEPENDENT	DATE OF APPOINTMENT TO COMMITTEE
Deirdre Somers Chair	Yes	19 August 2020
Clever Fonseca Member	Yes	13 May 2020
Elaine Dorward-King Member	Yes	31 December 2021

Principal responsibilities of the Committee

- Monitoring the integrity of the Group’s financial statements and any formal announcements relating to the Group’s financial performance and reviewing significant financial reporting judgements contained in them;
- Assessing whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group’s performance, business model and strategy;
- Reviewing non-financial disclosures - such as sustainability and climate, and the related external assurance processes
- Monitoring the external auditor’s independence and objectivity and, in particular, the appropriateness of the provision of non-audit services;
- Monitoring the effectiveness of the Group’s internal control and risk management systems;
- Considering the appropriate risk appetite for the Group and overseeing the current and prospective risks faced by the Group and its strategy and mitigations in relation to such risks;
- Ensuring the risk management function is properly resourced, with adequate information rights and sufficient independence such that it is free from management interference;
- Making recommendations for the Board to put to shareholders for their approval in General Meetings regarding the appointment, remuneration and terms of engagement of the external auditor;
- Monitoring the effectiveness of the internal audit function; and
- Reporting to the Board, identifying any matters in respect of which it considers that action or improvement is needed, and making recommendations as to the steps to be taken.

The Chair of the Audit & Risk Committee attends the Annual General Meeting to answer questions on the report on the Committee’s activities and matters within the scope of the Committee’s responsibilities.

See the Committee’s Terms of Reference at www.kenmareresources.com/en/about-us/corporate-governance/audit-risk-committee.

Dear shareholders

I am pleased to present the report of the Audit & Risk Committee for 2023. During the year, the Committee met six times and the main areas of focus were as set out on page 122. This report describes how the Committee has fulfilled its responsibilities during the year under its Terms of Reference and under the relevant requirements of the UK Corporate Governance Code 2018.

External audit

Independence and non-audit services

The Committee is responsible for ensuring that the external auditor is independent and for implementing appropriate safeguards where the external auditor also provides non-audit services to the Group. The Committee closely monitors the level of audit and non-audit services that audit firms provide to the Group. The Committee has adopted a policy on the provision of non-audit services by the external auditor on the basis that they may provide such services only where the engagement will not compromise their audit objectivity and independence, they have the understanding of the Group necessary to provide the service, and they are considered to be the most appropriate to carry out the work. All non-audit services provided by audit firms must be approved by the Committee.

KPMG is the Group's external auditor and has confirmed to the Committee that it is independent from the Group under the requirements of the Irish Auditing and Accounting Supervisory Authority's (IAASA) Ethical Standards for Auditors. The Committee reviews and approves any appointment of an individual, within three years of having previously been employed by the current external auditor, to a senior managerial position in the Group. No such appointments were made in 2023.

The Company Secretary, the Financial Director and, from time to time, the external audit lead partner, attend meetings at the invitation of the Committee. Twice each year, the Committee and the external auditor discuss, without management present, matters relating to its remit and any issues.

KPMG was approved as auditor by the Company at the AGM in May 2019 and began its engagement in July 2019. The lead audit partner is Keith Watt who took over the role in 2021, having been involved as audit partner since 2019. Keith will be replaced as lead audit partner in 2024 in accordance with ethical standards.

In 2023, KPMG provided a number of audit services and non-audit services. The non-audit services consisted mainly of audit-related assurance concerning the review of the half-yearly financial statements and Mozambican tax compliance services and other related matters. The Committee is satisfied that the external auditor's knowledge of the Group was an important factor in choosing it to provide these services. Under the EU fee cap rules, non-audit services are not permitted to exceed a ratio of 70% of the average annual audit fee for the preceding three-year period - that limit has not been breached. The fee paid to KPMG in 2023 in respect of audit services and non-audit services was $242,000 and $101,000 respectively, a ratio of 2.39:1.

KPMG has stated that it does not consider that these fees create a self-interest threat since the level of fees is not significant to the firm as a whole. The Committee is, therefore, satisfied that the non-audit work did not compromise KPMG's independence or objectivity and that it was in the interests of the Group to retain KPMG for those services. As a result, the Company did not invite third parties to tender for these services. The Committee did not request the auditors to look at any specific areas in 2023. Details of the amounts paid to KPMG during the year for audit and other services are set out in Note 7 to the consolidated financial statements on page 172.

Effectiveness and quality

The Committee, on behalf of the Board, is responsible for the relationship with the external auditor and for monitoring the effectiveness and quality of the external audit process. The Committee's primary means of assessing the effectiveness and quality of the external audit process is by monitoring performance against the agreed audit plan. In addition, we consider the following:

- The experience and knowledge of the external audit team;
- The quality of presentations to the Board and Committee;
- The technical insights provided relevant to the Group;
- Demonstration of a clear understanding of the Group's business and key risks; and
- The results of post-audit interviews with management and the Committee Chair.

Based on the above, the Committee is satisfied with the effectiveness of the external auditor for 2023 and the quality of its audit and is satisfied that the external auditor demonstrated professional scepticism and challenged management's assumptions, where necessary.

Read more about the 2023 financial results on pages 52 to 55

AUDIT & RISK COMMITTEE REPORT CONTINUED

Financial reporting and significant financial judgements

A key responsibility of the Committee is to consider the significant areas of complexity, management judgement and estimation that have been applied in the preparation of the financial statements. The Committee has reviewed the suitability of the accounting policies, which have been adopted and whether management has made appropriate judgements and disclosures. The table on page 123 sets out the significant matters considered by the Committee in relation to the financial statements for the year ended 31 December 2023. After reviewing the presentations and reporting from management and consulting where necessary with KPMG, the Committee is satisfied that the Annual Report and Financial Statements appropriately addresses the critical judgements and key estimates, both in respect of the amounts reported and the disclosures.

Fair, balanced and understandable report

At the request of the Board, the Committee considered whether, in its opinion, the 2023 Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and whether it provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Following its review, we believe that the 2023 Annual Report and Financial Statements is representative of the year and presents a fair, balanced and understandable overview, providing the necessary information for shareholders to assess the Group's position, performance, business model and strategy.

As part of this process, we considered the robust process in place to create the Annual Report and Financial Statements and the Committee:

STAGE 1

Reviewed a draft of the whole Annual Report and Financial Statements in advance of giving its final opinion and ahead of final approval by the Board. The Committee was provided with all relevant information, received briefings from management on how specific issues are managed and challenged management as required.

STAGE 2

Received confirmation that each Committee had signed off on each of its respective Committee reports and reviewed other sections for which it has responsibility under its Terms of Reference.

STAGE 3

Was provided with a confirmation by management that it was not aware of any material misstatements in the financial statements made intentionally to achieve a particular presentation.

STAGE 4

Was provided with findings from KPMG that it had found no material audit misstatements that would impact the unqualified audit opinion during the course of its work.

Risk management

The Group has identified and documented critical risks to the business, including key operational risks and related controls in its risk register. The Group's risk identification and management process, register and mitigants are reviewed and updated annually. The Group's key operational risks are reviewed and updated quarterly.

Following a review of the Group risk register by senior management, the principal risks identified for the Group and their mitigations are submitted to the Audit & Risk Committee and Board for review and approval. These risks are included in the principal risks and uncertainties facing the Group as set out on pages 76 to 85. As part of the internal audit function, controls identified in the risk register are tested to ensure they are operating effectively.

The Committee assessed the Group's risk management and internal control framework in line with the FRC Guidance on Risk Management, Internal Control and Related Financial and Business Reporting and reviewed the audit and review summary reports from the external auditor. The Committee, having assessed the above information, is satisfied that the internal control and risk management framework is operating effectively and has reported this opinion to the Board.

Internal audit

The Internal Auditor prepares an internal audit plan for each financial year proposing the audit areas to be covered and the timeframe for each. This is presented to the Committee for approval. The Internal Auditor updates the Committee on progress at regular intervals and presents reports to each Committee meeting. The Committee can question the Internal Auditor on the contents of the reports and the processes employed by him in investigations. These reports are considered by the Committee and material matters and recommendations are then reported to the Board.

The Committee is responsible for monitoring and reviewing the operation and effectiveness of the Internal Audit function including its focus, plans, activities and resources. To fulfil its duties during 2023, the Committee:

- Reviewed and approved the internal audit annual plan;
- Considered, and was satisfied that, the competencies, experience of and level of resources available to the Internal Auditor were adequate to achieve the proposed plan;
- Considered the role and effectiveness of internal audit in the overall context of the Group's risk management framework and was satisfied that the function has appropriate standing within the Group;
- Ensured that the Internal Auditor had access to the Chair of the Board, if required; and
- Ensured co-ordination between internal audit and the external auditor to maximise the benefits from clear communication and co-ordinated activities.

On the basis of the above, the Committee concluded that, for 2023, the internal audit function was performing well and is satisfied that the quality, experience and expertise of the function is appropriate for the Group.

Whistleblowing

The Company has a Whistleblowing policy in place and a third-party service provider is engaged to provide a confidential 24/7 whistleblowing service ("Safecall") available to all stakeholders to report any wrongdoing in the workplace. The service does not replace the internal processes within the organisation but seeks to provide an alternative for those employees who, for any reason, do not wish to use the internal processes. The Audit & Risk Committee Chair is also positioned to receive written complaints in confidence on accounting, risk issues, internal controls, auditing issues and related matters for reporting to the Audit & Risk Committee.

Eight Safecall reports were received in 2023. All have been investigated by the Internal Auditor in accordance with approved procedures. These concerned non-payment of wages by a contractor (three), unfair or corrupt recruitment practices (two), harassment, unfair treatment of a supplier and treatment of a contractor's employees. As regards the complaint of non-payment of wages by a contractor, the Company liaised with the contractor in question who, the whistleblower confirmed, subsequently paid all arrears of wages. Kenmare emphasised the seriousness of the issue and the need to treat employees properly and ensure they are paid. The report alleging unfair treatment of a supplier entity was referred to the appropriate supply chain management channels where it was substantiated and remedied. The remaining four reports were found to be unfounded or could not be investigated due to lack of information/ cooperation from the whistleblower.

$50m
2023 dividend distribution

Read more about Kenmare's products on pages 16 and 17

Read more about capital investments on page 55

Areas of focus in 2023

AREA OF FOCUS	AUDIT & RISK COMMITTEE ACTION
Financial reporting	• Reviewed the 2022 Annual Report and Accounts in March 2023, the 2023 Half-Yearly Financial Report issued in August 2023 and the regulatory announcements relating to these statements before submitting them to the Board of Directors with a recommendation to approve. • Undertook a review of the 2022 Annual Report and Accounts and confirmed to the Board that it was the opinion of the Committee that, taken as a whole, the 2022 Annual Report and Accounts were fair, balanced and understandable and provided the information necessary for shareholders to assess the Group's position and performance, business model and strategy. • Assessed the appropriateness of the Group's accounting policies, including the key estimates, judgements and disclosures made by management.
Distributable reserves	• Reviewed the Company's distributable reserves to ensure these were sufficient to pay the 2022 final dividend, the 2023 interim dividend and to buy back shares pursuant to the Tender Offer.
Risk management and internal control	• Reviewed the Group's risk management and internal control framework (including procedures for detecting fraud) established for identifying, evaluating and managing key risks. • The principal risks facing the Group were reviewed and considered and eight specific strategic risks identified by the Committee as key to the outcome for the year were monitored quarterly. • Reviewed the Company's risk appetite statement. • Received and considered risk review updates. • Received updates on insurance renewals. • Reviewed the Anti-Bribery and Whistleblower policies to ensure they remained appropriate for the Group's business. • Approved and monitored progress against a set of Treasury policy KPIs.
Internal audit	• Reviewed the internal audit charter and was satisfied that it remained appropriate for the Group. • Approved the internal audit plan for 2023 and received quarterly updates on progress in this regard as well as in relation to ad hoc work undertaken during the year. • Received quarterly reports from the internal auditor on Safecall reports received and resulting investigations. • Reviewed internal audit reports during the year covering warehouse management, revenue management, certain HR procedures, crop compensation, suppliers and liability for contractors. • Reviewed the effectiveness of the internal audit function.
External audit	• Agreed the audit plan of the external auditor, KPMG, for their audit of the 2023 Annual Report and Accounts and their review of the 2023 Half-Yearly Financial Report. • Reviewed the independence, objectivity and effectiveness of the external audit process including the safeguards designed to avoid the possibility that the auditor's objectivity and independence could be compromised. The Committee is satisfied that the appropriate policy is in place in respect of services provided by external auditors. • Approved the non-audit services provided by KPMG to the Group in 2023. • Post-completion of the 2022 audit and 2023 half-year review, in conjunction with KPMG, review meetings were held with senior finance management, and it was confirmed by both parties that no issues had arisen during the audit or review process. • Met the external auditor without management present to discuss matters relating to the external audit process. • Satisfied itself that the succession plan and execution for audit partner rotation in 2024 was effective.
Climate change	• Reviewed the proposed disclosures in the 2022 Annual Report against the recommendations of the Task Force on Climate-related Financial disclosures (TCFD) and EU Taxonomy. • Considered the impact of climate change on amounts reported in the financial statements including the potential financial impact of the physical and transitional risks and opportunities identified in accordance with the recommendations of the TCFD. • Received briefings on its role in ESG reporting and on the financial assessment of climate risk. • Considered how the Committee could work optimally with the Sustainability Committee to ensure coordination and consistency.
Committee affairs	• Amended its Terms of Reference to provide for review of non-financial disclosures. The Terms of Reference are available on the Kenmare website at www.kenmareresources.com/en/about-us/corporate-governance/audit-risk-committee. • Reviewed the Committee's performance.

AREA OF FOCUS	AUDIT & RISK COMMITTEE ACTION
Other	• Reviewed the principles and assumptions of our impairment model from first principles and monitored the Company's impairment position regularly to ensure all appropriate factors were taken into account. • Requested management to conduct a review of the budget process with an emphasis on identifying areas for cost optimisation and discussed outcomes. • Reviewed local procurement processes and statistics and local crop compensation. • Received updates on the status of the Group's cyber-security, its external review and the workplan to optimal mitigation of risk. • Monitored progress on the renewal of the Implementation Agreement with the Government of Mozambique • Established a dashboard of treasury metrics for regular monitoring • Received feedback on a visit from the Mozambican Tax Authority to the Mine and the status of our tax position in Mozambique.

Read more about tax on page 54

Estimates and judgements

The Committee reviewed in detail the following areas of significant judgement, complexity and estimation in connection with the 2023 financial statements. The Committee considered the report from the external auditor on the audit work undertaken and conclusions reached as set out in its audit report on pages 149 to 155. The Committee is satisfied that in all of these matters, the accounting treatment complies with relevant IFRS, and none gave rise to disagreement between management, the external auditors or the Committee.

AREA OF JUDGEMENT	AUDIT & RISK COMMITTEE CONSIDERATIONS
Impairment of property, plant and equipment	• The Committee discussed the Group's impairment process with both management and KPMG. • The Committee reviewed management's impairment testing methodology and process, including key judgements and assumptions. The Committee found the process to be robust and was satisfied with the appropriateness of assumptions and the consistency with the approach in prior years.
Revenue recognition	• The Committee gained comfort over revenue recognition through discussions with management in relation to the operation of key financial controls within the Revenue Process in order to prevent and detect material misstatements. In addition, the Committee gained an understanding of the substantive audit work performed by KPMG. As a result of this, the Committee is satisfied that there are appropriate controls and processes in place across the Group to ensure the completeness and accuracy of revenue.
Going Concern and Viability Statements	• The Committee reviewed the Going Concern and Viability Statements including the underlying methodology, process and assumptions and recommended to the Board that it approve the Going Concern and Viability Statements.
Other matters	• The Committee considered, and is satisfied with, a number of other judgements and estimates that have been made by management, including provisioning for tax matters, the Mine closure and Mine rehabilitation provision, climate and sustainability reporting, considerations of the impact of climate change on amounts reported in the financial statements and the carrying amounts of the Parent Company's investments in subsidiary undertakings.

Audit & Risk Committee effectiveness and priorities for 2024

As outlined in the Corporate Governance report, during 2023 there was an internal review of the performance and effectiveness of the Board and of its Committees. I am pleased to confirm that the Chair found that the Committee is working effectively and efficiently. The Committee has identified the following key risks for particular focus in 2024: progress on renewal of the Implementation Agreement with the Mozambican Government; continuity of power supply to Moma; cyber security and pricing and customer concentration.

The Committee will also review our forecasting processes and methodologies with a view to identifying any opportunities for improvement. The Committee would like to thank KPMG for their work on the 2023 financial statements. I would also like to thank my fellow Committee members for their commitment and input to the work of the Committee during 2023 and the financial team for their assistance, guidance and support.

Deirdre Somers
CHAIR OF THE AUDIT & RISK COMMITTEE

3 April 2024

REMUNERATION COMMITTEE REPORT

“OUR STAFF HAVE THE OPPORTUNITY TO SHARE THE BENEFITS FROM THE SUCCESS OF THE GROUP.”

Graham Martin
CHAIR OF THE REMUNERATION COMMITTEE

DEIRDRE SOMERS
Committee member

CLEVER FONSECA
Committee member

METTE DOBEL
Committee member

Dear shareholders

On behalf of the Board, I am very pleased to present the Remuneration Committee’s report for 2023 on Directors’ remuneration.

This report is divided into two sections:

- This statement, which provides a summary of the year under review and, together with the Annual Report on remuneration, describes how the Committee has fulfilled its responsibilities during the year under its Terms of Reference and under the relevant requirements of the UK Corporate Governance Code 2018; and
- The Annual Report on Remuneration, which provides details of the remuneration earned by the Directors in the year ended 31 December 2023 and how the remuneration policy will operate for the year ending 31 December 2024.

The Directors’ remuneration policy was approved by shareholders at the Annual General Meeting held on 11 May 2023 and applies for three years from that date. Details of the vote in this regard are on page 139. The policy is set out in full on pages 135 to 145 of the 2022 Annual Report and on our website at www.kenmareresources.com/en/about-us/corporate-governance/remuneration-committee.

Summary of the work of the Committee in 2023

A substantial part of the work of the Committee in each year relates to the setting of the corporate key performance indicators (KPIs) for the year, performance against which is reflected not only in the Executive Directors’ bonus scheme, but also forms a part (generally ranging from 20–50%) of the bonus entitlement of all our corporate staff and all the more senior staff at the Mine. The Committee monitors performance on a quarterly basis and the outcome is regularly communicated, as appropriate, to the Directors and other affected staff.

As in previous years, the performance criteria set by the Committee for 2023 reflected a mix of quantitative targets and qualitative targets and were set at stretching levels for the maximum award. The quantitative targets for 2023 comprised 80% (2022: 77%) of the maximum 100% opportunity and the qualitative targets 20% (2022: 23%). The quantitative targets covered metrics reflecting mineral production, financial results and environmental, social and governance (ESG) targets. The qualitative targets included matters such as project execution, the Group’s long-term mining strategy, corporate vision and values and each Executive Director’s personal leadership.

Other aspects of the Committee's work in 2023 included:

- assessing the outcome of the key performance indicators (KPIs) under the Executive Directors' bonus scheme for 2022, and agreeing some modifications to those metrics for the application of the scheme in 2023;
- reviewing benchmarking reports prepared by PwC on the salaries, benefits and fees of the Executive Directors, the Chief Operating Officer, the Company Secretary, and the Chairman and setting their levels;
- reviewing and discussing with the Executive Directors the remuneration of the Executive Committee and senior Mine management;
- agreeing the amount of the annual award to the Executive Directors under the Group's long-term share plan, the Kenmare Restricted Share Plan (KRSP), the performance indicators to be considered under the performance underpin and the annual KRSP awards for other employees within the Committee's remit;
- a summary of performance in 2022 in the context of the performance underpin for review at the end of the relevant three-year period;
- applying the discretionary underpin to the 2020 KRSP awards and determining that such awards should be reduced by 5%;
- reviewing the remuneration and benefits of the Executive Directors in the context of the remuneration of the Group's workforce as a whole. We received presentations from management on the remuneration structure for workers at the Mine and our Dublin, London, and Beijing-based staff and we satisfied ourselves that our staff receive pay and benefits that are benchmarked appropriately, take into account local employment regulations and conditions as well as seniority, and afford our staff the opportunity to share in the benefits from the success of the Group. The Committee also notes that there is no discrimination between our male and female workers in their pay and benefits for similar jobs; and
- a presentation from PwC with an update on current remuneration matters with particular focus on a review of the 2023 AGM season and investor feedback on remuneration issues.

38.15%
2023 scorecard outcome

Performance and reward for 2023

Under the Directors' remuneration policy, the Executive Directors receive a base salary (which, apart from inflationary adjustments, has not been increased since 2010), pension contributions in line with market levels and the Irish workforce, certain other benefits, an award of shares under the KRSP, and the opportunity to earn a bonus depending on the outcome of the remuneration KPIs. In 2023, the Directors' remuneration policy operated in line with the intentions set out in the 2022 Annual Report on Remuneration.

As noted by the Chairman and the Managing Director in their respective reports, Kenmare faced a number of challenges in 2023, both internal and external. Despite this, we delivered another year of robust financial results and strong shareholder distributions.

These results, along with the Committee's assessment of performance against the qualitative targets, (all of which are set out in more detail on pages 132 to 133), were reflected in a general corporate scorecard outcome for the year of 38.15%. The maximum opportunity for Executive Directors for 2023 was 100% of base salary, and this scorecard outcome therefore corresponds to a cash bonus of 38.15% of salary for Michael Carvill and Tom Hickey. The Committee considers this outcome a fair reflection of corporate performance for the year against stretching targets and the respective individual performances of the Directors.

The KRSP awards granted on 28 April 2021 are due to vest on 28 April 2024. Vesting is subject to continued employment and an underpin based on the Remuneration Committee's judgement of Company and individual performance over the three-year vesting period. In advance of the vesting, the Committee has conducted an initial assessment of the underpin and provisionally determined that a reduction to the vesting of 5% should be made to the awards. The Committee will confirm the final vesting level in April 2024, with any changes outlined in next year's remuneration report. More details on the underpin and the Committee's assessment are on page 134.

The KRSP awards granted in May 2020 vested in May 2023. Vesting was subject to continued employment and an underpin based on the Remuneration Committee's judgement of Company and individual performance over the three-year vesting period. The Committee determined that a reduction to the vesting of 5% should be made to the awards, confirming its provisional assessment, which was reported in the 2022 Annual Report.

The Committee confirms that no malus and clawback provisions were used during the year.

Read more about performance targets on pages 132 to 133

REMUNERATION COMMITTEE REPORT CONTINUED

Read more about share awards on page 135

Directors' remuneration policy

The current Directors' remuneration policy was approved by the Company's shareholders at the 2023 AGM with 97.07% of votes in favour.

Full details of the policy are on page 135 to 145 of the 2022 Annual Report and are incorporated into this Report by reference.

Directors' remuneration for 2024

Management has agreed 4.6% salary increases for corporate staff to mitigate current inflationary pressure. In this context, the Remuneration Committee approved an increase of 4% for the Executive Directors. Our bonus scheme and KRSP will continue to operate in 2024 in broadly the same way as they did in 2023.

Workforce engagement on remuneration matters

As well as the management presentations on the remuneration benefits of our worldwide staff, which are noted above, I had an opportunity when visiting the Mine in December to join Mette Dobel in engaging with some senior Mine staff as noted more fully in her commentary on page 109. In those discussions, I explained the role and responsibilities of the Remuneration Committee, in particular in setting the salaries and benefits of the Executive Directors and how they align with the approach for the wider workforce.

I discussed our desire to ensure that Executive pay is aligned in its short, medium and long-term structure with our culture and values and with the incentives and reward available to all our staff and, along with Mette, I took questions regarding employment conditions.

In the wider context, management engaged with the workforce during the year in relation to performance reviews, salaries, bonus outcomes (which reflect both personal and corporate performance), and awards made under the KRSP.

97.07%
Approval of remuneration policy

The Committee is particularly pleased that the KRSP has been cascaded further down the organisation and is now part of the remuneration package of around 350 staff at the Mine. This year will see the first large-scale vesting of awards for Mine staff and we look forward to reviewing the results.

Shareholder dialogue

Throughout the year we take every opportunity when engaging with our shareholders to invite them to raise any concerns or give any observations on Executive remuneration, even when Executive remuneration is not the specific purpose of the meeting. No specific concerns were raised by our shareholders in the course of 2023 and any observations that were made were either taken into account in the determination of outcomes in 2023 or in the new three-year remuneration policy approved at the 2023 AGM.

Conclusion

The Committee continues to believe that the current Directors' remuneration policy with its blend of short, medium and long-term aspects remains appropriate for the Group and in our view clearly aligns the interests of the Executives with those of the shareholders. It is relatively simple and easily understandable; we believe it is motivating and it also allows sufficient discretion to the Committee to take account of all relevant matters affecting the Group or its performance in the year. In addition, it gives discretion to the Committee to look back over each three-year period in determining the ultimate KRSP vesting outcomes.

As ever, I am very grateful for the support and guidance given to me throughout the year by my fellow members of the Remuneration Committee and for the support given to the Committee by Chelita Healy, the Company Secretary.

Shareholders' views on Executive remuneration are very important to the Board. Should you have any questions, comments or feedback on remuneration matters at Kenmare, I would be very pleased to hear from you. I can be reached via the Company Secretary at chealy@kenmareresources.com.

I hope you will vote in support of the remuneration report at the forthcoming AGM.

Graham Martin
CHAIR OF THE REMUNERATION COMMITTEE

3 April 2024


REGINA MACUACUA
SAFE WORK
MICHAEL CARVILL
RSA NRCS / 8032/0054
LALIZAS
SAMSA APPROVED
15 October 2013
Cape Town

ANNUAL REPORT ON REMUNERATION

RESPONSIBILITIES OF THE COMMITTEE

The role of the Committee is to assist the Board to fulfil its responsibility to ensure that:

- Remuneration policy and practices of the Group are designed to support strategy and promote long-term sustainable success (including environmental, social and governance ("ESG") objectives), reward fairly and responsibly, with a clear link to corporate and individual performance and having regard to statutory and regulatory requirements; and
- Executive remuneration is aligned to Group purpose and values and linked to delivery of the Group's long-term strategy.

The primary responsibilities of the Committee are to:

- Determine and agree with the Board the Group's policy on Executive remuneration;
- Within the terms of the agreed policy, determine the total individual remuneration package of the Chair, Executive Directors, Chief Operating Officer, Company Secretary and such other members of the senior Executive management as it is designated to consider;
- Review workforce remuneration, related policies and the alignment of incentives and rewards with culture; and
- Oversee the preparation of the Annual Report on remuneration.

See the Committee's Terms of Reference at www.kenmareresources.com/en/about-us/corporate-governance/remuneration-committee

The Committee gives full consideration to legal and regulatory requirements, to the principles and provisions of the 2018 UK Corporate Governance Code ("the Code") and to related guidance. The Committee also seeks to ensure that risk is properly considered in the setting of the remuneration policy, by ensuring that targets are appropriately stretching but do not lead to the taking of excessive risk.

The Committee reviews remuneration and related policies applicable to the wider workforce, ensuring that this is taken into account when setting the policy for Executive remuneration. The aim across the Group is to provide a reward package that is aligned to shareholders' interests, supports the achievement of the Company's annual and strategic objectives (including climate targets, where relevant), is competitive against the appropriate market and is consistent with our focus on performance and our core values. This means:

- base salaries are set in line with the relevant market recognising the individual's skill, knowledge, experience levels and contribution to the role;
- high performance and exceptional contribution are recognised through in-year incentives;
- packages for leadership roles have an increased emphasis on longer-term share-based reward;
- employees are provided with competitive post-retirement benefits in line with practices applicable in relevant jurisdictions; and
- access to a competitive and cost-effective package of other benefits as part of the total reward offering.

The Company Secretary acts as Secretary to the Committee. The Managing Director and Financial Director may be invited to attend meetings of the Committee, except when their own remuneration is being discussed. No Director is involved in the consideration of their own remuneration.

The Remuneration Committee seeks independent advice when necessary from external remuneration consultants. In 2019, the Committee conducted a competitive tender process following which PwC, which has no other connection with the Group, Company or the Directors, were retained as independent external remuneration advisors. Since then, the Committee has renewed their appointment annually. PwC is paid a fixed fee for a fixed scope of work and charges fees on a time and materials basis for work outside of the agreed scope. During the year ended 31 December 2023, the total fees payable to PwC in respect of these services was £60,000 (2022: £50,000). PwC is a member of the Remuneration Consultants Group and a signatory of that Group's Code of Practice for remuneration consultants. The Committee reviews the services and advice provided by PwC each year and is satisfied that the advice it receives is independent and objective.

MEMBERSHIP AND MEETINGS

The Remuneration Committee consists of Deirdre Somers, Clever Fonseca, Mette Dobel and Graham Martin, as Chair. All Committee members are Independent Non-Executive Directors. Biographical details for each of the Committee members and a description of their respective skills, expertise and experience are set out on pages 92 and 93.

The Committee formally met five times during the year but there were also a number of less formal communications throughout the year on remuneration issues between members of the Committee and with the Executive Directors. Details of members' attendance at meetings are set out on page 98.

COMMITTEE MEMBERSHIP

	INDEPENDENT	DATE OF APPOINTMENT TO COMMITTEE
Graham Martin Chair	Yes	14/10/2016
Deirdre Somers Member	Yes	13/05/2021
Clever Fonseca Member	Yes	31/12/2021
Mette Dobel Member	Yes	01/09/2023

Consideration of employment conditions outside the Group

The Committee reviews the remuneration of the Executive Directors in light of the remuneration of the executive directors of other appropriate quoted companies and, in the course of 2023, considered benchmarking reports prepared by PwC in relation to the same.

Implementation of the Directors' remuneration policy

In implementing the current remuneration policy and developing the new policy, the Remuneration Committee considered the following factors set out in the Code:

- Clarity and simplicity – We believe that the remuneration package for our Executive Directors is clear and transparent, in particular the KRSP is a simple structure, which cascades, where appropriate, down the organisation. The KRSP has a simple structure with all awards vesting after three years, subject to a further two-year holding period. Details of engagement with the workforce on Directors' remuneration are set out on page 126.
- Risk – The Remuneration Committee has a number of tools at its disposal to ensure that reputational and other risks are identified and mitigated. These include malus and clawback provisions in respect of both the annual bonus and the KRSP, the use of a minimum share price from the time of the 2016 capital raise when determining KRSP awards to the Managing Director and the discretionary underpin on the vesting of KRSP awards. For example, in 2023, the Committee reduced the number of shares vesting under the 2020 KRSP award by 5% following its assessment of individual and Company performance over the three-year vesting period, in accordance with the underpin. Furthermore, the Remuneration Committee has the discretion to amend the formulaic outcome of the annual bonus if the Committee believes this does not reflect the true underlying performance of the Group or the experience of shareholders or if it wishes to avoid "windfall gains" in the future. When determining the outcomes of the 2023 bonus, the Committee considered these factors and determined that the formulaic outcome was appropriate in light of the Group's performance.
- Predictability and proportionality – A range of potential remuneration outcomes under the policy can be calculated including a share price appreciation scenario. This enables shareholders to assess the impact of performance outcomes and share price appreciation on the value of remuneration for individual Directors. The 2023 bonus outcome reflected the Group's overall performance including ESG outcomes and progress in the long-term mining strategy.
- Alignment to culture – The discretionary underpin assessment ensures that the vesting level of KRSP awards takes into account the overall business performance over the relevant three-year period, including non-financial factors such as environmental, social and governance considerations, which are at the heart of our culture, values and strategy.

Directors' remuneration (audited)

The following tables set out the remuneration for Directors for the year ended 31 December 2023 and the prior year. The base salaries increased by 7% in 2023 reflecting an inflation adjustment.

	MICHAEL CARVILL				TOM HICKEY[2]				TONY MCCLUSKEY[6]			
EXECUTIVE DIRECTORS' REMUNERATION[1]	**2023 $'000**	**2023 %**	2022 $'000	2022 %	**2023 $'000**	**2023 %**	2022 $'000	2022 %	**2023 $'000**	**2023 %**	2022 $'000	2022 %
Fixed pay												
Basic salary	**679**		618		**448**		110		**–**		313	
Benefits	**7**		7		**5**		1		**–**		3	
Pension	**68**		62		**45**		11		**–**		31	
Total fixed pay	**754**	**46%**	687	38%	**498**	**74%**	122	71%	**–**	**–**	347	69%
Variable pay									**–**			
Bonus[3]	**259**		295		**171**		51		**–**		153	
Long-term incentives									**–**			
– Kenmare Restricted Share Plan (KRSP)[4,5]	**644**		837		**–**		–		**–**			
Total variable pay	**903**	**54%**	1,132	62%	**171**	**26%**	51	29%	**–**		153	31%
Total single figure	**1,657**		1,819		**669**		173		**–**	**–**	500	

1 The underlying currency of the Executive Directors' emoluments is Euros. The annual basic salary of Michael Carvill is €628,146 (2022: €587,052) and of Tom Hickey is €414,553 (2022: €387,443). This disclosure forms an integral part of the financial statements.

2 Tom Hickey was appointed as Financial Director of the Company on 26 September 2022.

3 The 2023 performance outcome of each of Michael Carvill and Tom Hickey is 38.15%. Under the Policy, any bonus in excess of 50% of salary is paid in nil-cost share options granted under the KRSP which vest after three years – as the outcome for 2023 is below this level, the full award will be paid in cash.

4 The value of the KRSP awards for 2023 reflects the awards granted in 2021 and is calculated based on an average share price of the last three months of 2023 of £3.98 and taking into account the expected reduction in vesting of 5% as a result of the performance underpin. See page 134 for more details. The vesting date for the awards is 28 April 2024 and the Committee will confirm the final vesting level at that point.

5 The value of the KRSP awards for 2022 has been recalculated based on the share price on the vesting date, 13 May 2023, of £4.48 and taking into account the reduction in vesting of 5% as a result of the performance underpin.

6 Tony McCluskey resigned as a Director on 26 September 2022

ANNUAL REPORT ON REMUNERATION CONTINUED

NON-EXECUTIVE DIRECTORS' REMUNERATION[1,2,3]	BASIC FEE 2023 $'000	BASIC FEE 2022 $'000	COMMITTEE CHAIR AND MEMBERSHIP FEE 2023 $'000	COMMITTEE CHAIR AND MEMBERSHIP FEE 2022 $'000	SENIOR INDEPENDENT DIRECTOR FEE 2023 $'000	SENIOR INDEPENDENT DIRECTOR FEE 2022 $'000	AUDITED TOTAL 2023 $'000	AUDITED TOTAL 2022 $'000
Issa Al Balushi[4]	**65**	–	**–**	–	**–**	–	**65**	–
Mette Dobel	**69**	63	**9**	–	**–**	–	**78**	63
Elaine Dorward-King	**69**	63	**32**	29	**–**	–	**101**	92
Clever Fonseca	**69**	63	**21**	19	**–**	–	**90**	82
Graham Martin	**69**	63	**30**	34	**11**	10	**110**	107
Steven McTiernan	**–**	88	**–**	–	**–**	–	**–**	88
Sameer Oundhakar	**–**	63	**–**	–	**–**	–	**–**	63
Deirdre Somers	**69**	63	**35**	31	**–**	–	**104**	94
Andrew Webb	**237**	155[5]	**–**	–	**–**	–	**237**	155
Total	**647**	621	**127**	113	**11**	10	**785**	744

1 The fees set out in the table above relate to the period of the directorship.

2 The Non-Executive Directors' remuneration is 100% fixed. In 2023, it was agreed to increase all Non-Executive Directors' fees by 7% to reflect inflation. The underlying currency of the fees is Euros.

3 This disclosure forms an integral part of the financial statements.

4 Issa Al Balushi was appointed as Director of the Company on 25 January 2023.

5 Andrew Webb became Chair on 26 May 2022 and received fees in his capacity as such for eight months of 2022.

TOTAL DIRECTORS' REMUNERATION	AUDITED TOTAL 2023 $'000	AUDITED TOTAL 2022 $'000
Executive Directors		
Salary	**1,127**	1,041
Benefits	**12**	11
Bonus	**430**	499
Pension	**113**	104
Kenmare Restricted Share Plan (KRSP)	**644**	837
Total Executive Directors' remuneration	**2,326**	2,492
Non-Executive Directors		
Fees	**785**	744
Total remuneration	**3,111**	3,236

Executive and Non-Executive Directors' remuneration and fees for services as Directors provided to the Company and the entities controlled by the Company are $2.3 million (2022: $2.4 million) and $0.8 million (2022: $0.7 million) respectively. These figures have been calculated based on the requirements of the UK's Large and Medium-sized Companies and Groups (Accounts and Report) Regulations 2008 as amended in 2013, 2018 and 2019 (the "Regulations"), to which the Company has regard.

2023 annual bonus award (audited)

The performance metrics for the 2023 annual bonus award sought to deliver continuous and stretching progress in relation to operational performance, cost efficiency and capital expenditure management, health and safety initiatives, and corporate objectives. The maximum opportunity under the annual bonus award for 2023 was 100% of base salary for the Managing Director and Financial Director.

ANNUAL REPORT ON REMUNERATION CONTINUED

Performance targets and outcomes for the 2023 financial year were as follows:

2023 ANNUAL BONUS OUTCOME		WEIGHTING %	PERFORMANCE NEEDED FOR PAY OUT AT THRESHOLD (25% OF MAXIMUM VESTS)	TARGET (50% OF MAXIMUM VESTS)	STRETCH (100% OF MAXIMUM VESTS)
Operational	Ilmenite production (tonnes)	16.0	1,050,000	1,080,000	1,150,000
	Zircon (standard and special) production (tonnes)	6.0	51,000	54,000	57,000
	Other (tonnes)	3.0	45,000	47,000	50,000
Financial	EBITDA ($m)	15.0	216.0	254.0	292.0
	Production cash costs ($m)	10.0	228.0	218.0	208.0
	Average share price in December 2023 (including dividends paid in 2023) (£ per share)	5.0	4.68	5.10	5.53
Safe and engaged workforce	Lost Time Injury Frequency Rate (LTIFR)	10.0	LTIFR >20% reduction relative to three-year rolling average		
A healthy, natural environment	Climate / Decarbonisation	10.0	On track to deliver 12% emissions reduction by 2024, by achieving 9% in 2023 with plan for additional 3% in 2024		
Thriving communities	Increase local spend (opex) - excl electricity & diesel	2.5	4% increased year-on-year spend in Mozambican spend (excluding electricity and diesel)		
Trusted business	Compliance with Supplier Code of Conduct	2.5	80% compliance with audits against Kenmare's Supplier Code of Conduct, via sustainability questionnaire.		
Project execution	Development projects progress	10.0	WCP A Nataka projects progressed through DFS, key execution phases approved by Board. WCP B Upgrade to 3400tph on track for delivery, with key phases approved by the Board.		
	Long-term mining strategy	5.0	Delivery of PFS for Congolone. Evidence of incorporation of optimisations and opportunities to deliver higher value/ lower risk solutions		
Corporate, leadership, vision and values		5.0	The Committee considers how each Executive performed in terms of the Board's expectations of his role, including: leadership, strategic vision and planning, business development, succession planning and alignment with the Company's vision and values. Regard is also had to the Executive's part in the achievement of the Board objectives for the year and in long-term value creation for the Company.		
Total		100.0			

Overall, the outcome of the scorecard and, therefore, outcome for each of Michael Carvill and Tom Hickey was 38.15% of maximum (and therefore 38.15% of salary). The Committee believes this appropriately reflects the Executive Directors' performance during the year and the Group's results, and, therefore, has not applied further discretion to this outcome. In accordance with the policy, as the bonuses were less than 50% of salary, 100% of the 2023 annual bonus award was paid in cash.

	PERFORMANCE ACHIEVED	PROPORTION OF ELEMENT	2023 %
	986,000	0.0	0.00
	51,000	26.0	1.56
	54,000	100.0	3.00
	220.3	27.8	4.17
	226.3	29.3	2.93
	4.41	0.0	0.00
The LTIFR increased by 25% relative to the three-year rolling average, therefore this KPI was not achieved.	0.15	0.0	0.00
A 14% reduction in Scope 1 emissions relative to 2022 was delivered in 2023. Diesel consumption is forecast to increase in 2024, however, mitigation programmes were initiated in 2023 to ensure the 12% emissions reduction, relative to the 2021 baseline is delivered.		100.0	10.00
A 3.2% increase in operational expenditure was delivered as well as six new contracts with local suppliers.		100.0	2.50
84% compliance with Kenmare's Supplier Code of Conduct was achieved.		100.0	2.50
The WCP A Nataka projects progressed well through PFS stage to DFS with key phases approved by the Board, with key contracts signed and works progressing on schedule. However as estimated capex increased significantly from the PFS estimates presented at the Capital Markets Day in April the Committee considered that only an on-Target score was appropriate. This score was also awarded in respect of the WCP B upgrade where planning was well advanced but execution deferred for budgetary reasons.		50.0	5.00
The long-term mining strategy focussed on the possible development of our Congolone resource where PFS work is ongoing and a promising infill drilling campaign conducted to extend project life and upgrade resources. On-Target performance awarded.		50.0	2.50
In awarding an 80% score to each executive the Committee took into account, among other things, the very positive impressions the Board took away from a site visit in December, the recent recruitment of some high quality managers there who were clearly already making a difference and the evident success of the leadership training programme.		80.0	4.0
			38.15

Read more about Operations on pages 44 to 47

Vesting of the 2021 KRSP awards

The KRSP awards granted on 28 April 2021 vest subject to continued employment and an underpin based on the Remuneration Committee's judgement of Company and individual performance over the three-year vesting period. The underpin provides the Committee with the ability to take a holistic view of the Company's performance over the three-year period to ensure that the vesting level is appropriate.

For the 2021 award, the underpin included the following four core elements to be considered as part of the assessment (although the Committee may consider other factors in addition to these):

- operational performance outcomes under the annual bonus scorecard over the three-year period;
- share price performance since grant;
- environmental, social and governance performance; and
- major strategic or project decisions and return on investment.

In advance of the awards vesting in April 2024, the Committee has conducted an initial assessment of the underpin. The Committee noted that the three year absolute share price performance was 53% (an annual compound growth rate of approx 15%), and that performance relative to peers was impressive. As part of this assessment the Committee considered whether there had been a windfall gain and concluded that there had not.

Delivery of ESG targets was strong in 2021 and 2022, with a decline in 2023, mainly reflecting a drop in the important LTIFR performance. However, the Committee recognised that over an 19 month period in 2022/2023 the Company achieved a record 12+ million man hours worked without an LTI. There were no significant ESG issues or health and safety incidents during this time. Bonus outcomes for 2021, 2022 and 2023 have averaged around 50% of maximum (i.e. on target), with the ilmenite production target missed in each of the three years. Project execution has generally been on track although some capital expenditure guidance was exceeded, and good progress was made on the long-term mining strategy.

Taking all of this and other factors into account, the Committee has provisionally determined that a reduction to the vesting of 5% should be made to the awards. The Committee will confirm the final vesting level in April 2024, with any changes outlined in next year's remuneration report.

Vesting of the 2020 KRSP awards

The KRSP awards granted in May 2020 vested in May 2023. These had been granted subject to an underpin. Details of the relevant underpin and the Committee's initial assessment of it were set out on page 128 of the 2022 Annual Report. That report stated that, at that time, the Committee had provisionally determined that a reduction of 5% should be made to the awards. The Committee's final assessment of the underpin at the time of vesting confirmed this determination.

Total pension entitlements

Pension provision for the Executive Directors was made in 2023 based on 10% of base salary, in line with the remuneration policy and the contributions for the Kenmare corporate staff. In lieu of his pension contribution, Tom Hickey receives this amount in cash. Fees paid to Non-Executive Directors are not pensionable. No Director has a prospective entitlement to a defined benefit pension by reference to their service as a Director.

Payments for loss of office (audited)

No payments for loss of office were made during the year. Tony McCluskey stepped down as Director of the Company on 26 September 2022 but remained an employee of the Company until 18 May 2023. The Committee determined that he would be treated as a "good leaver" by reason of retirement in accordance with the Directors' remuneration policy and KRSP rules. As outlined earlier, the expected vesting outcome in relation to the 2021 KRSP award is 95%, equivalent to 51,513 shares for Tony McCluskey with a value of £0.2 million based on the average share price over the final three months of 2023 (£3.98). The vesting date for the awards is 28 April 2024 and the Committee will determine the final vesting level at this time. Details of Tony McCluskey's outstanding share awards are set out on page 130 of the 2022 Annual Report.

Payments to past Directors (audited)

Terence Fitzpatrick stepped down as a Director on 1 July 2018 but has remained an employee of the Company. His salary is for his services as an employee and not loss of office compensation. During the year, contributions of $33,187 (2022: $30,450) were paid into his pension.

Tony McCluskey stepped down as a Director on 26 September 2022 but remained an employee of the Company until 18 May 2023. His salary was for his services as an employee and not loss of office compensation. During the year, contributions of $6,982 (2022: $9,900) were paid into his pension and he received a salary of $78,313.As outlined earlier, the expected vesting outcome in relation to the 2021 KRSP award is 95%, equivalent to 51,513 shares for Tony McCluskey with a value of £0.2 million based on the average share price over the final three months of 2023 (£3.98). The vesting date for the awards is 28 April 2024 and the Committee will determine the final vesting level at this time. Details of Tony McCluskey's outstanding share awards are set out on page 130 of the 2022 Annual Report.

Directors' and Secretary's shareholdings (audited)

The interests of the Secretary and Directors who held office during 2023, their spouses and minor children, in the ordinary share capital of the Company, other than pursuant to share options or share awards, were as set out below:

	SHARES HELD 27 MARCH 2024	SHARES HELD 31 DECEMBER 2023	SHARES HELD 1 JANUARY 2023
Issa Al Balushi	–	–	–
Michael Carvill[1]	**524,364**	505,975	377,621
Mette Dobel	**2,500**	2,500	–
Elaine Dorward-King	**10,000**	10,000	10,000
Clever Fonseca	**5,170**	970	970
Tom Hickey	**47,000**	47,000	40,000
Graham Martin	**100,000**	100,000	100,000
Deirdre Somers	**3,940**	3,940	3,940
Andrew Webb	**10,000**	–	–
Chelita Healy (Secretary)	**–**	–	–

1 This holding includes 152,320 shares held by Rostrevor One Limited, a company controlled by Michael Carvill and 84,787 shares held by the Kenmare Resources Employee Benefit Trust on his behalf under the terms of the KRSP.

Share awards scheme (audited)

		NUMBER OF NIL-COST OPTIONS (EXCLUDING DIVIDEND EQUIVALENTS UNLESS STATED OTHERWISE)							
NAME	SHARE PLAN	AT 1 JAN 2023	AWARDED	VESTED AND EXERCISED	LAPSED OR FORFEITED	AT 31 DEC 2023	DATE OF GRANT	EXERCISE PERIOD	MARKET PRICE AT EXERCISE £
Michael Carvill	KRSP	29,872	3,998[1]	33,870	–	–	15 March 2018	15/03/2021–15/03/2025	£4.65[3]
	KRSP	60,829	4,072[1]	34,487	–	30,414	15 March 2019	15/03/2022–15/03/2026	£4.65[3]
	KRSP	157,206	27,294[1]	176,640	7,860[2]	–	13 May 2020	13/05/2023–13/05/2027	£4.37[4]
	KRSP	133,930	–	–	–	133,930	28 April 2021	28/04/2024–28/04/2028	
	KRSP	119,730	–	–	–	119,730	5 April 2022	5/04/2025–5/04/2029	
	KRSP	–	118,261	–	–	118,261	6 April 2023	6/04/2026–6/04/2030	
Totals		**501,567**	**153,625**	**244,997**	**7,860**	**402,335**			
Tom Hickey	KRSP	91,829	–	–	–	91,829	28 September 2022	28/09/2025–28/09/2029	
	KRSP	–	78,048	–	–	78,048	6 April 2023	6/04/2026–6/04/2030	
Totals		**91,829**	**78,048**	**–**	**–**	**169,877**			
Chelita Healy	KRSP	2,158		–	–	2,158	28 April 2021	28/04/2024–28/04/2028	
	KRSP	4,696	–	–	–	4,696	5 April 2022	5/04/2025–5/04/2029	
	KRSP	–	5,192	–	–	5,192	6 April 2023	6/04/2026–6/04/2030	
Totals		**6,854**	**5,192**	**–**	**–**	**12,046**			

1 Dividend equivalent entitlements relating to share awards vesting.

2 2020 award reduced by the Remuneration Committee by 5% on application of the discretionary underpin. See page 129.

3 Date of exercise was 6 April 2023.

4 Date of exercise was 24 May 2023.

ANNUAL REPORT ON REMUNERATION CONTINUED

The aggregate gain on awards that vested during the year for Executive Directors was $1.4 million (2022: $1.5 million).

In the case of the Executive Directors, the KRSP awards made prior to 2020 vest, subject to continued employment, 60% on the third anniversary of grant date, 20% on fourth anniversary, and 20% on fifth anniversary.

The Executive Directors' KRSP awards granted in 2020 and thereafter vest, subject to continued employment and to the Remuneration Committee's assessment against a discretionary underpin, on the third anniversary of grant date. The vested KRSP awards are subject to a two-year holding period, which may extend beyond an Executive Director's cessation of employment in accordance with the post-employment holding requirements of the remuneration policy.

The 2023 awards for Michael Carvill and Tom Hickey represent 100% of base salary based on a share price of £4.663; the average closing price of the Company's shares during the five trading days following announcement of the Company's preliminary results for 2022. The value of these awards totalled £0.6 million for Michael Carvill and £0.4 million for Tom Hickey.

In the case of Chelita Healy the above KRSP awards vest, subject to continued employment, on the third anniversary of grant date. Non-Executive Directors do not receive awards under share plans.

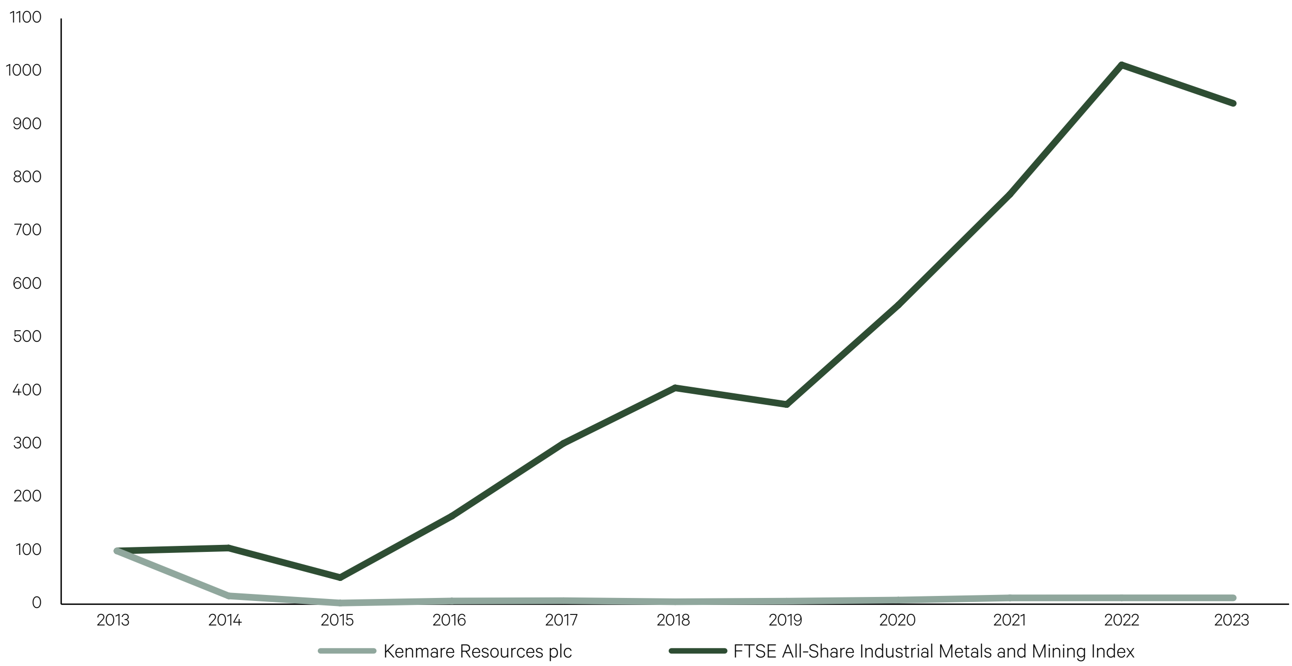
Executive Directors' shareholding requirement

In accordance with the current remuneration policy, the Executive Directors are required to build up shareholdings equal to 250% of their respective salaries. This requirement can be met both by shareholdings held by the Executive Directors (directly or indirectly) and, on a net of tax basis, by unvested share awards that are not subject to performance or underpin conditions. As of 31 December 2023, the shareholding of Michael Carvill represented 385% of his salary and the shareholding of Tom Hickey represented 53% of his salary.

Performance graph and table

The value at 31 December 2023 of $100 invested in the Group in 2013 compared with the value of $100 invested in the FTSE All-Share Industrial Metals and Mining Index, as this is a relevant sector index of which Kenmare is a constituent, is shown in the graph below.

Value at 31 December 2023 of $100 investment at 31 December 2013



The statutory chart above includes a period prior to the capital raise in 2016. The share price declined significantly during this period due to a number of factors, including challenging commodity markets. However, Kenmare's share price performance since the 2016 capital raise has improved (with the share price as at 31 December 2023 being £3.95, which was 70% above the 2016 capital raise price of £2.32). Note the FTSE All Share General Mining Index used in prior years is no longer available and so the FTSE All-Share Industrial Metals and Mining Index has been used in the above chart.

Value at 31 December 2023 of $100 investment at 31 December 2015

The remuneration paid to the Managing Director in the past 10 years is set out below:

		SINGLE FIGURE OF TOTAL REMUNERATION $'000	BONUS PAY-OUT (AS % MAXIMUM OPPORTUNITY)	LONG-TERM INCENTIVE VESTING RATES (AS % MAXIMUM OPPORTUNITY)
2023	Michael Carvill	1,657	38%	95%
2022	Michael Carvill	1,760	48%	95%
2021	Michael Carvill	1,135	60%	N/A
2020	Michael Carvill	1,070	62%	N/A
2019	Michael Carvill	1,444	47%	25%
2018	Michael Carvill	1,652	58%	83.3%
2017	Michael Carvill	1,528	59%	–
2016	Michael Carvill	1,340	66%[1]	N/A
2015	Michael Carvill	744	22%[1]	N/A
2014	Michael Carvill	967	26%[1]	N/A

1 Amount shown reflects the cash and deferred share award under the Kenmare Incentive Plan (KIP), part of which was conditional on long-term performance.

Percentage change in remuneration and Company performance

ANNUAL CHANGE	2023 %	2022 %	2021 %
Directors' remuneration			
Executive Directors			
Michael Carvill, Managing Director	**-9%**	55%	6%
Tom Hickey, Financial Director	**287%**	N/A	N/A
Non-Executive Directors [1]			
Issa Al Balushi	**N/A**	N/A	N/A
Mette Dobel	**25%**	N/A	N/A
Elaine Dorward-King	**10%**	11%	(10%)
Clever Fonseca	**10%**	1%	4%
Graham Martin	**3%**	13%	6%
Deirdre Somers	**10%**	9%	226%
Andrew Webb	**53%**	2,483%	N/A
Group performance			
Net profit	**(36%)**	60%	669%
Employee average remuneration on a full-time equivalent basis			
Employees of the Company Kenmare Resources plc	**10%**	8%	10%

1 The changes in the Non-Executive Directors' fees are a result of changes to Board and/or Committee composition and responsibilities during 2023 and the fact that the underlying currency of the fees is Euros.

Relative importance of spend on pay

ANNUAL CHANGE	2023 $'000	2022 $'000	CHANGE
Overall spend on pay including Directors	**59,098**	57,769	2.3%
Profit distributed by way of dividend and share back	**86,574**	34,726	149%
Group cash operating costs	**228,100**	218,700	4%

Average employee numbers throughout the Group increased from 1,662 in 2022 to 1,687 in 2023.

Group cash operating costs have been included in the table in order to give a context to spend on pay relative to the overall cash operating costs.

Statement of implementation of policy in 2024 (audited)

Base salary

The base salaries for 2024 will increase by 4% reflecting an inflationary adjustment, which is below the wider Kenmare corporate staff increase of 4.6%. These are set out below:

EXECUTIVE DIRECTOR	2024 $'000	2023 $'000	% CHANGE
Michael Carvill	**687**	661	4%
Tom Hickey	**454**	437	4%

The underlying currency of Michael Carvill and Tom Hickey's base salaries is Euro. The US Dollar figures shown above for 2024 have been calculated using the average 2023 Euro to US Dollar exchange rate. The final US Dollar figure for 2024 will vary depending on exchange rate movements.

Annual bonus

The incentive opportunity for the Executive Directors under the incentive scheme for 2024 will be as follows:

EXECUTIVE DIRECTOR	ON-TARGET INCENTIVE (% OF SALARY)	MAXIMUM INCENTIVE (% OF SALARY)
Michael Carvill	**50**	100
Tom Hickey	**50**	100

The performance metrics for 2024 annual bonuses and their associated weightings are as follows:

AREA	MEASURE	WEIGHT[1]
Operational	Ilmenite, zircon, rutile and concentrates production volumes	25
Financial	EBITDA/Total cash operating costs /TSR	30
ESG	Safe and engaged workforce A healthy, natural environment Thriving communities	25
Strategic and project execution		15
Corporate		5

1 The targets for the Managing Director and Financial Director will be the same for all metrics except for the corporate category, where the Remuneration Committee will determine appropriate splits reflecting their respective responsibilities and challenges in these areas in 2024.

The targets have not been disclosed due to commercial sensitivity but will be disclosed in the 2024 Annual Report on remuneration. The performance metrics as set out above seek to deliver ongoing progress in relation to operational performance, cost efficiency, ESG, and strategic corporate objectives. The performance targets associated with the quantitative measures are in line with guidance issued in January 2024.

Kenmare Restricted Share Plan

The maximum award level for the Executive Directors under the KRSP for 2024 will be 100% of base salary. In addition to the assessment of the appropriate award level prior to grant, the Remuneration Committee will also undertake a discretionary underpin performance assessment prior to vesting.

The factors, which will be considered as part of the underpin assessment for any KRSP awards granted to Executive Directors in 2024, will be determined by the Committee and include those set out on page 134 of the 2022 Annual Report.

Statement of voting at AGM

The table below shows the outcome of the advisory vote on the Directors' Remuneration report and the Directors' remuneration policy at the 2023 AGM.

ITEM	VOTES FOR	%	VOTES AGAINST	%	VOTES WITHHELD
Advisory vote on 2022 Directors' Remuneration report	73,065,700	99.47	390,957	0.53	252,639
Advisory vote on Directors' remuneration policy	71,307,730	97.07	2,148,927	2.93	252,639

This report was approved by the Board of Directors and signed on its behalf by:

Graham Martin
CHAIR OF THE REMUNERATION COMMITTEE

3 April 2024

DIRECTORS' REPORT

The Directors present their report below and the audited financial statements for the financial year ended 31 December 2023.

Read more about cash flows on page 54

Principal activities

The principal activity of Kenmare Resources plc and its subsidiary undertakings is the operation and further development of the Moma Titanium Minerals Mine in Mozambique.

Strategic report

The Strategic report, including a financial and risk review and a review of the likely future developments of the Group is set out on pages 7 to 86.

Statement of results and key performance indicators

The consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2023 is set out on page 154. The financial review on pages 52 to 56 contains a detailed business review including an analysis of the key performance indicators used to measure the Group's performance and is incorporated by reference.

Dividends

In May 2023, the Company paid a final 2022 dividend of $41.1 million representing USc43.33 per share (2022: USc25.42). In October 2023, the Company paid a 2023 interim dividend of USc17.5 (H1 2022: USc10.98) per ordinary share, totalling $15.6 million. The Board is recommending a final dividend of USc38.54 (2022: USc43.33) per share. This would give a total dividend in respect of 2023 of USc56.04 (2022: USc54.30) per share. It is proposed to pay the final dividend on 17 May 2024 to shareholders registered at the close of business on 12 April 2024.

Directors and Company Secretary

The names of the Directors and Company Secretary who held office during 2023 and a biographical note on each appear on pages 92 and 93. In accordance with the UK Corporate Governance Code, all Directors submit to re-election at each AGM.

Directors' and Company Secretary's shareholdings and share awards

The interests of the Directors and Secretary of the Company, their spouses, and minor children in the ordinary share capital of the Company, and details of the share awards granted to them in accordance with the rules of the Kenmare Restricted Share Plan (KRSP), are detailed in the Annual report on remuneration on page 135.

Share option and share award schemes

At 31 December 2023, there were options in respect of 1,951,621 Ordinary Shares in issue. These are nil-cost options to subscribe for Ordinary Shares and were granted pursuant to the KRSP. There were no outstanding interests under any previous share award schemes.

Share capital

The Company's authorised share capital consists of 181,000,000 ordinary shares of €0.001 each (ordinary shares). The Ordinary Shares rank equally in all respects and carry no special rights. They carry voting and dividend rights. There are no restrictions on the transfer of the Company's shares or voting rights and the Company has not been notified of any agreements between holders of securities in this regard.

At the AGM held on 11 May 2023,

- the Company was granted an authority to make market purchases, within a set price range, of up to 10% of its own shares;
- the Directors were given the authority by shareholders to allot shares up to an aggregate nominal amount equal to €31,609; and
- the Directors were empowered to allot shares and other equity securities for cash without first offering them to existing shareholders in proportion to their holdings, up to an aggregate nominal value equal to the nominal value of 5% of the issued share capital on that date.

None of the above authorities have been exercised and they will expire at the conclusion of this year's AGM, at which shareholders will be asked to grant new authorities to the Company and the Directors.

At an EGM held on 8 September 2023, the Company was authorised, for the purposes of Section 1074 of the Companies Act 2014, to make one or more market purchases and overseas market purchases (within the meaning of Section 1072 of the Companies Act 2014) of Ordinary Shares in connection with the Tender Offer discussed below, at a price of £4.22 per share up to a maximum of 5,601,390 Ordinary Shares. This authority expired on 31 December 2023 and was in addition to that granted at the AGM and referred to above.

On 11 September 2023, the Company purchased 5,601,390 Ordinary Shares which had been acquired by Peel Hunt LLP pursuant to the Tender Offer. These Ordinary Shares were cancelled following settlement on 12 September 2023 resulting in an issued share capital of 89,228,161 Ordinary Shares after the transaction.

Save for the foregoing, the Company did not issue, hold, purchase, sell or cancel any Ordinary Shares during 2023 and no member of the Group held any Ordinary Shares during 2023.

Substantial interests

As at 27 March 2024 and 31 December 2023, the Company had received notification of the interests outlined in the table below in its ordinary share capital, equal to, or in excess of, 3%:

	AS AT 27 MARCH 2024		AS AT 31 DECEMBER 2023	
	HOLDING/ VOTING RIGHTS	% OF ISSUED SHARE CAPITAL	HOLDING/ VOTING RIGHTS	% OF ISSUED SHARE CAPITAL
African Acquisition S.à.r.l.	15,257,583	17.1%	15,257,583	17.1%
M&G Plc[1]	12,788,737	14.3%	12,655,560	14.2%
FIL Limited	6,314,687	7.1%	9,940,744	11.1%
JO Hambro Capital Management Limited	5,418,953	6.1%	5,418,953	6.1%
Aberforth Partners LLP[1]	4,955,440	5.6%	4,955,440	5.6%
Premier Miton Group Plc	4,412,311	4.9%	4,412,311	4.9%
Aegis Financial Corporation	3,578,594	4.0%	3,578,594	4.0%
Pageant Investments Ltd	2,926,000	3.3%	-	-

1 Share figures provided directly by institution as its most recent disclosure did not reflect the number of shares held following completion of the share buy-back

Read more about Kenmare's viability statement on page 86

Principal risks and uncertainties

Under Section 327 of the Companies Act 2014, the Directors are required to give a description of the principal risks and uncertainties facing the Group. These principal risks and uncertainties are set out on pages 76 to 85.

Risk exposure

The exposure of the Group to credit, liquidity, market, currency and cash flow risk is detailed in Note 24. Capital management is detailed in Note 25.

Viability statement

In line with Provision 31 of the UK Corporate Governance Code, the Directors have prepared a viability statement in respect of the financial year ended 31 December 2023, which is set out on page 86.

Going concern

The Directors have evaluated the appropriateness of the going concern basis in preparing the 2023 Consolidated Financial Statements for a period of at least 12 months from the date of approval of these financial statements (the "period of assessment"). The evaluation is based on the Group's cash flow forecast ("the Group Forecast").

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report on pages 7 to 86 The financial position of the Group, its cash flows, liquidity and borrowing position are described in the Financial review on pages 52 to 56. Note 25 to the financial statements includes the Group's policy for managing its capital.

The Group Forecast has been prepared by management with best estimates of production, pricing and cost assumptions over the period of assessment.

The Group recognises the principal risks, which can impact on the outcome of the Group Forecast and have, therefore, applied sensitivity analysis to the assumptions to test the robustness of the cash flow forecast for changes in market prices, shipments, 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. Debt covenants are complied with and Group liquidity is maintained, although at lower levels, in each of these sensitivities.

Having assessed the principal risks facing the Group, together with the Group's cash flow forecast, the Directors have a reasonable expectation that the Group has adequate resources for the foreseeable future and can continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Statutory compliance statement

The Directors acknowledge that they are responsible for securing the Company's compliance with the Company's "relevant obligations" within the meaning of Section 225 of the Companies Act 2014 (described below as "Relevant Obligations").

The Directors confirm that they have:

b. Drawn up a compliance policy statement setting out the Company's policies (that are, in the opinion of the Directors, appropriate to the Company) in respect of the Company's compliance with its Relevant Obligations;

c. Put in place appropriate arrangements or structures that, in the opinion of the Directors, provide a reasonable assurance of compliance in all material respects with the Company's Relevant Obligations; and

d. During the financial year to which this report relates, conducted a review of the arrangements or structures that the Directors have put in place to ensure material compliance with the Company's Relevant Obligations.

Takeover directive

In the event of a change in control of the Company, the Project Companies or any other subsidiary that is a borrower under the revolving credit facility, such facility is automatically cancelled and all outstanding amounts together with accrued interest become immediately due and payable. The KRSP contains change of control provisions that provide for accelerated crystallisation of awards and vesting of shares (including by way of exercise of nil-paid options) in the event of a change of control of the Company. Other than as described in the Remuneration Policy report on pages 135 to 145 of the 2022 Annual Report, there are no agreements between the Company and its Directors or employees providing for predetermined compensation for loss of office or employment that would occur in the event of a bid for the Company, save that certain employees, not being Directors, have service contracts that either provide for extended notice periods and/or fixed payments on termination following a change in control of the Company.

Corporate Governance Statement

For the purpose of Section 1373 of the Companies Act 2014, the Directors have prepared a Corporate Governance Statement in respect of the financial year ended 31 December 2023, which is set out on page 153.

Non-financial reporting statement

In compliance with the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017, the table below sets out the relevant sections in this Annual Report to understand the Group's approach to these non-financial matters.

REPORTING REQUIREMENTS	PAGE REFERENCE	KENMARE'S POLICIES	RISK ASSESSMENT
Environmental matters	Pages 66 to 71	Environmental	Environmental risk is included in the risk entitled "Health, Safety and Environment ("HSE") described in the "Principal risks and uncertainties" section on page 82.
Social and employee matters	Pages 20 to 22 Pages 62 to 63 Page 73 Page 107	Health and safety Whistleblowing procedure Conflicts of interest Employment Stakeholder engagement	Health and safety risk is included in the risk entitled "Health, Safety and Environment" ("HSE") described in the "Principal risks and uncertainties" section on page 82. Community engagement and investment is relevant to the risk entitled "Permitting, licensing and government agreement risk", described in the "Principal risks and uncertainties" section on page 79. Otherwise, although the risks associated with social and employee matters are actively monitored, the Group does not believe these risks meet the threshold of a principal risk for the business.
Human rights	Pages 20 to 23 Page 63 Pages 72 and 73	Human rights Freedom of association	Although the risks associated with human rights abuses are actively monitored, the Group does not believe these risks meet the threshold of a principal risk for the business.
Anti-bribery and corruption	Pages 72 and 73	Anti-bribery Business ethics	Although the risks associated with bribery and corruption are actively monitored, the Group does not believe these risks meet the threshold of a principal risk for the business.
Description of business model	Pages 24 and 25		
Non-Financial key performance indicators	Included in KPIs on pages 36 to 37 and the Sustainability report on pages 58 and 59		

Diversity and inclusion

The Diversity and Inclusivity report is within the Nomination Committee report on page 112.

Taxonomy Regulation

For the purposes of the EU Taxonomy Climate Delegated Act, the Directors have prepared a taxonomy disclosure in respect of the financial year ended 31 December 2023, which is set out on page 74.

Other

Audit and Risk Committee

The Board of the Company has established an Audit and Risk Committee. See pages 118 to 123 for the Audit and Risk Committee report for the financial year under review.

Rules regarding Directors, etc.

Details of the rules relating to the appointment or removal of Directors, amendment of the Articles of Association and the powers of Directors are set out in the Corporate Governance report.

Subsidiary undertakings and branches

The subsidiary undertakings of the Company at 31 December 2023 are outlined in Note 4 to the Company financial statements. Each of the subsidiary undertakings Kenmare Moma Mining (Mauritius) Limited, Kenmare Moma Processing (Mauritius) Limited and Mozambique Minerals Limited operates a branch in Mozambique. In addition, the Company established and maintains a branch in the UK, registered at Companies House.

Political donations

There were no political donations made during 2023 that require disclosure under the Electoral Act 1997 (as amended).

UK Listing Rule 9.8.4

No information is required to be disclosed in respect of Listing Rule 9.8.4.

Auditors

KPMG, a global chartered accounting firm, was first appointed statutory auditor on 14 May 2019 and has been reappointed annually since that date and pursuant to Section 383(2), of the Companies Act 2014 will continue in office. The financial statements on page 154 to 187 have been audited by KPMG.

Disclosure of information to statutory auditor

In accordance with the provisions of Section 330 of the Companies Act 2014, each of the persons who are Directors of the Company at the date of approval of this report confirms that:

- So far as each Director is aware, there is no relevant audit information (as defined in the Companies Act 2014) of which the statutory auditor is unaware; and
- Each Director has taken all the steps that they ought to have taken as a Director to make themself aware of any relevant audit information (as defined) and to ensure that the statutory auditors are aware of such information.

Accounting records

The Directors have employed appropriately qualified accounting personnel and have maintained appropriate accounting systems to ensure that proper accounting records are kept in accordance with Sections 281 to 285 of the Companies Act 2014. The books of account are kept at the Company's office at 4th Floor, Styne House, Hatch Street Upper, Dublin 2, Ireland.

Events since the financial year-end

Details of events since the financial year-end are set out in Note 29 to the consolidated financial statements.

Notice of Annual General Meeting and special business

Notice of the Annual General Meeting, together with details of special business to be considered at the meeting, is set out in a separate circular to be sent to shareholders and will also be available on the Group's website, www.kenmareresources.com.

Cross-references

All information cross-referenced in this report forms part of the Directors' report.

On behalf of the Board:

M. Carvill
DIRECTOR

3 April 2024

T. Hickey
DIRECTOR

3 April 2024

Read more about the Remuneration Committee Report on pages 124 to 126

Kenmare has a robust balance sheet and the Company finished the year with net cash of $20.7 million. As a leader in the finance team at Moma, Linda is looking forward to further optimising operational expenditures and strengthening cost controls in 2024.

Linda Chirume
FINANCE SUPERINTENDENT

GROUP FINANCIAL STATEMENTS

STATEMENT OF DIRECTORS' RESPONSIBILITIES

IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the Group and parent company financial statements, in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent company financial statements for each financial year. Under that law, the Directors are required to prepare the Group financial statements in accordance with IFRS as adopted by the European Union and applicable law including Article 4 of the IAS Regulation. The Directors have elected to prepare the parent company financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101') and the Companies Act 2014.

Under company law the Directors must not approve the Group and parent company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities, and financial position of the Group and parent company and of the Group's profit or loss for that year. In preparing each of the Group and parent company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Assess the Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless they either intend to liquidate the Group or parent company or to cease operations, or have no realistic alternative but to do so.

The Directors are also required by the Transparency (Directive 2004/109/EC) Regulations 2007 and the Transparency Rules of the Central Bank of Ireland to include a management report containing a fair review of the business and a description of the principal risks and uncertainties facing the Group.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the assets, liabilities, financial position, and profit or loss of the Group and which enable them to ensure that the financial statements comply with the provision of the Companies Act 2014. The Directors are also responsible for taking all reasonable steps to ensure such records are kept by its subsidiaries which enable them to ensure that the financial statements of the Group comply with the provisions of the Companies Act 2014 including Article 4 of the IAS Regulation. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for safeguarding the assets of the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are also responsible for preparing a Directors' report that complies with the requirements of the Companies Act 2014.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's and Company's website. Legislation in the Republic of Ireland concerning the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement as required by the transparency directive and UK corporate governance code:

Each of the Directors, whose names and functions are listed on pages 92 and 93 of this Annual Report, confirm that, to the best of each person's knowledge and belief:

- The Group financial statements, prepared in accordance with IFRS as adopted by the European Union and the Company financial statements prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101') and the Companies Act 2014, give a true and fair view of the assets, liabilities, and financial position of the Group and parent company at 31 December 2023 and of the profit of the Group for the year then ended;
- The Directors' report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Group and parent company, together with a description of the principal risk and uncertainties that they face; and
- The Annual Report and financial statements, taken as a whole, provides the information necessary to assess the Group's performance, business model, and strategy and is fair, balanced and understandable and provides the information necessary for shareholders to assess the parent company's position and performance, business model, and strategy.

On behalf of the Board:

M. Carvill	T. Hickey
DIRECTOR	DIRECTOR
3 April 2024	3 April 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KENMARE RESOURCES PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Kenmare Resources PLC ('the Company') and its consolidated undertakings ('the Group') for the year ended December 31, 2023 set out on pages 154 to 187 and contained within the reporting package 635400ETHWP1EKJMDO16-2023-12-31-en, which comprise the Consolidated Statement of Financial Position, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows, Parent Company Statement of Financial Position, Parent Company Statement of Changes in Equity and related notes, including the material accounting policies set out in note 1.

The financial reporting framework that has been applied in the preparation of the Group financial statements is Irish Law, including the Commission Delegated Regulation 2019/815 regarding the single electronic reporting format (ESEF) and International Financial Reporting Standards (IFRS) as adopted by the European Union and, as regards the Company financial statements, Irish Law and FRS 101 Reduced Disclosure Framework issued in the United Kingdom by the Financial Reporting Council.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Group and Company as at December 31, 2023 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with FRS 101 Reduced Disclosure Framework issued by the UK's Financial Reporting Council; and
- the Group and Company financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities section of our report. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were appointed as auditor by the directors on July, 17, 2019. The period of total uninterrupted engagement is the 5 years ended December 31, 2023. We have fulfilled our ethical responsibilities under, and we remained independent of the Group in accordance with ethical requirements applicable in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) as applied to public interest entities. No non-audit services prohibited by that standard were provided.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included:

We evaluated the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting. In our evaluation of the Directors' conclusions, we considered the inherent risks to the Group's and Company's business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. There were no risks identified that we considered were likely to have a material adverse effect on the Group's and Company's available financial resources over this period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

In relation to the Group and the Company's reporting on how they have applied the UK Corporate Governance Code and the Irish Corporate Governance Annex, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included:

- Inquiring with the directors and management as to the Group's policies and procedures regarding compliance with laws and regulations, identifying, evaluating and accounting for litigation and claims, as well as whether they have knowledge of non-compliance or instances of litigation or claims.
- Inquiring of directors, the audit and risk committee, internal audit, management and inspection of policy documentation as to the Group's policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Inquiring of directors, the audit and risk committee and internal audit regarding their assessment of the risk that the financial statements may be materially misstated due to irregularities, including fraud.
- Inspecting the Group's regulatory and legal correspondence.
- Reading Board and audit and risk committee minutes.

- Considering remuneration incentive schemes and performance targets for management and directors.
- Performing planning analytical procedures to identify any usual or unexpected relationships.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team. This included communication from the group to full scope component audit teams of relevant laws and regulations and any fraud risks identified at the Group level and request to full scope component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at group.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation, taxation legislation and distributable profits legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's licence to operate. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, environmental law, regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the Group's activities and its legal form.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition.

In response to the fraud risks, we also performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation.
- Evaluating the business purpose of significant unusual transactions
- Assessing significant accounting estimates for bias
- Assessing the disclosures in the financial statements

As the Group is regulated, our assessment of risks involved obtaining an understanding of the legal and regulatory framework that the Group operates and gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows (unchanged from 2022):

Group key audit matters

Impairment of property, plant, and equipment (PPE) $935.8m (2022: $930.8m)

Refer to page 161 (accounting policy) and pages 172 to 173 (financial disclosures)

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
The Directors have developed an impairment assessment model which they use to determine if the net present value of future cash flows from the CGU will be sufficient to recover the carrying value of the PPE assets of the Group. There is a risk that incorrect inputs or inappropriate assumptions could be included in the impairment model leading to an impairment charge not being correctly identified and recognised. The level of judgement involved in impairment model could give rise to a material misstatement given the significance of the caption to the balance sheet. For the reasons outlined above the engagement team determine this matter to be a key audit matter.	Our audit procedures included: - We obtained and inspected management's assessment of impairment of PPE assets and considered whether further indicators should have been assessed based on our knowledge of the business, its operating environment, industry knowledge, current market conditions and other information obtained during the audit. - We made inquiries of members of the Local and Group finance teams to understand the performance of the Group and management's assessment of impairment in the period. - We challenged management's key assumptions and valuation techniques in determining whether impairment charges are required and evaluating if these were indicators of possible management bias. - We assessed the accuracy of management's calculations of the carrying value of those assets subject to impairment testing and considered whether the assets tested are complete. - Where relevant, we compared certain inputs to external industry specific and general economic data sources. - We agreed cashflow forecasts used in the impairment model to Board approved budgets and challenged the reasonableness of these budgets. - We evaluated the appropriateness and likelihood of the sensitivities on the cashflow forecasts and the impact on the overall impairment test outcome and assessed whether additional sensitivity analysis would have been appropriate. - We recalculated the impairment/headroom for CGUs using stressed variables to evaluate management's sensitivity analysis. - We performed testing on the design and implementation of the control in place over the impairment of property, plant and equipment. - We assessed management's calculations to determine whether impairment losses were required. - We engaged a KPMG valuation specialist to challenge certain assumptions used within the discount rate. - We challenged the Group's financial advisor on the assumptions and data inputs used in the discount rate and assessed their capability, competence and objectivity as financial advisers to the Group. - We evaluated the completeness, accuracy and relevance of disclosures required by IAS 36, including disclosures about sensitivities and major sources of estimation uncertainty as presented in the Group's financial statements. Based on evidence obtained, we found that management's key assumptions and key inputs were reasonable. We found the disclosures to be adequate in providing an understanding of the basis of impairment.

Group key audit matters (continued)

Revenue recognition $458.5m (2022: $526.0m)

Refer to page 160 (accounting policy) and pages 166 to 167 (financial disclosures)

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
The Group sells products under a variety of contractual terms. Revenue is recognised when the control is transferred to customers which is generally when mineral products have been delivered in line with the terms of the individual customer contracts. There is a risk of fraud at year end that revenue has not been reported in the consolidated financial statements in line with IFRS 15 and differing contractual terms. There is a risk that it has been misstated intentionally to meet performance targets or in error through the recording of a sale intentionally in the incorrect period, specifically at year end. For the reasons outlined above the engagement team determine this matter to be a key audit matter.	Our audit procedures included: ▸ We assessed the appropriateness of the allocation of contract revenue to multiple element deliverables. ▸ We performed testing on the design and implementation of the control in place over the recognition of revenue and any journals posted to revenue with characteristics that make them susceptible to fraud. ▸ We assessed on a sample basis whether sales transactions either side of the balance sheet date as well as credit notes issued after year end were recognised in the correct period by performing cut-off procedures. We assessed if revenue has been recorded correctly through the review of shipment terms, shipment dates bills of lading and letters of credit. ▸ We examined any new significant contractual arrangements entered into and inquired whether terms have changed with any significant customer, where there could be an impact on the timing of revenue recognition. ▸ We evaluated the adequacy of the Group's disclosures in respect of revenue. Based on the procedures performed, we did not identify any material misstatements. We found the disclosures in respect of revenue to be appropriate.

Company key audit matter

Investment in subsidiaries $804.0m (2022: $802.9m)

Refer to pages 192 to 193 (accounting policy) and page 196 (financial disclosures)

THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
The investments held by Kenmare Resources plc company only are held at cost less impairment. There is a risk in respect of the carrying value of these investments if future cash flows and performance of these subsidiaries is not sufficient to support the Company's investment. For the reasons outlined above the engagement team determine this matter to be a key audit matter.	Our audit procedures included: ▸ We obtained an understanding of the process for impairment considerations and tested the design and implementation of the relevant control therein. ▸ We obtained and inspected management's assessment of impairment indicators. ▸ We compared the carrying value of investments to the net assets of the subsidiary to consider impairment indicators. ▸ We considered the audit work performed in respect of the subsidiaries, including the judgements and assumptions used in the impairment model used to support the carrying value of the investment in subsidiaries which also supports the carrying value of the Group's property, plant and equipment. ▸ We evaluated the adequacy of the Company's disclosures in respect of investments in subsidiaries in accordance with the relevant accounting standards. Based on the procedures performed, we found management's assessment of the carrying value of the investment in subsidiary undertakings to be appropriate. We found the disclosures to be adequate in providing an understanding of the basis of impairment.

Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements and Company financial statements as a whole was set at $9.35m (2022: $9.7m) and $7.5m (2022:$8.0m) respectively, determined with reference to a benchmark of total assets (2022: net assets) (of which it represents 0.75% (2022: 1%)) for the Group and Company. We consider total assets to be the most appropriate benchmark as it best reflects the operations of the Group and Company. In applying our judgement in determining the most appropriate benchmark including our change in benchmark from the prior audit, the factors which had the most significant impact were:

- the stability of the Group, resulting from its nature, where the Group is in its current mine plan and the industry in which the Group operates; and
- our understanding/view that one of the principal considerations for investors in assessing the financial performance is the Group and Company's total assets.

In applying our judgement in determining the percentage to be applied to the benchmark, the following qualitative factors, had the most significant impact, decreasing our assessment of materiality:

- the amount of external debt on the Group and Company's balance sheet; and
- the entity operates in locations which are subject to political instability.

We applied Group and Company materiality to assist us determine the overall audit strategy.

Performance materiality for the Group financial statements and Company financial statements as a whole was set at $7.0m (2022: $7.3m) and $5.6m (2022:$6.0m) respectively, determined with reference to a benchmark of total assets (2022: net assets) (of which it represents 75% (2022: 75%) and 75% (2022: 75%) respectively. In applying our judgement in determining performance materiality, the following factors were considered to have the most significant impact, increasing our assessment of performance materiality:

- the low number and value of misstatements detected; and
- the low number and severity of deficiencies in control activities identified in the prior year financial statement audit.

We applied Group and Company performance materiality to assist us determine what risks were significant risks for the Group and Company.

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion. We reported to the audit and risk committee any corrected or uncorrected identified misstatements exceeding $0.47m (2022: $0.48m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

In planning the audit we used materiality to assist in making the determination to perform full scope audits. The Group's principal activity, its mining operation in Mozambique, is carried out through two components. These components were subject to full scope audits for Group audit purposes, using materiality levels of US$3.6m each (2022: US$3.5m). We applied materiality to assist us determine what risks were significant risks and the Group audit team instructed component auditors as to the significant areas to be covered by them, including the relevant risks, and the information to be reported.

Taken together, the Company and the mine components accounted for 100% of Group revenue (2022: 100%) and 99% of Group net assets (2022: 99%).

Our audit was undertaken to the materiality and performance materiality level specified above and was all performed by engagement teams in Dublin and Mozambique.

Other information

The directors are responsible for the preparation of the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report and the non-financial statement included on the Group's website at https://www.kenmareresources.com/en and Directors' Report, the Business Overview, Strategic Report and Governance sections of the Annual Report, as well as the Directors' Responsibility Statement, Shareholder profile, Glossary - alternative performance measures, Glossary – terms, and General information.

The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit we report that, in those parts of the directors' report specified for our consideration:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

Corporate governance statement

We have reviewed the directors' statement in relation to going concern, longer-term viability, that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code and the Irish Corporate Governance Annex specified for our review by the Listing Rules of Euronext Dublin and the UK Listing Authority.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 141;
- Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 141;
- Director's statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 141;
- Directors' statement on fair, balanced and understandable and the information necessary for shareholders to assess the Group's position and performance, business model and strategy set out on page 120;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks and the disclosures in the annual report that describe the principal risks and the procedures in place to identify emerging risks and explain how they are being managed or mitigated set out on page 121;
- Section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 121; and;
- Section describing the work of the audit and risk committee set out on pages 118 to 123.

The Listing Rules of Euronext Dublin also requires us to review certain elements of disclosures in the report to shareholders by the Board of Directors' remuneration committee.

We have nothing to report in this regard.

In addition as required by the Companies Act 2014, we report, in relation to information given in the Corporate Governance Statement on page 142, that:

- based on the work undertaken for our audit, in our opinion, the description of the main features of internal control and risk management systems in relation to the financial reporting process, and information relating to voting rights and other matters required by the European Communities (Takeover Bids (Directive 2004/EC) Regulations 2006 and specified for our consideration, is consistent with the financial statements and has been prepared in accordance with the Act;
- based on our knowledge and understanding of the Company and its environment obtained in the course of our audit, we have not identified any material misstatements in that information; and
- the Corporate Governance Statement contains the information required by the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017.

We also report that, based on work undertaken for our audit, the information required by the Act is contained in the Corporate Governance Statement.

Our opinions on other matters prescribed by the Companies Act 2014 are unmodified

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

We have nothing to report on other matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion:

- the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made.
- the Company has not provided the information required by Section 1110N in relation to its remuneration report for the financial year December 31, 2022;
- the Company has not provided the information required by section 5(2) to (7) of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 for the year ended December 31, 2022 as required by the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) (amendment) Regulations 2018.

We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 146, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Keith Watt
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03

3 April 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	NOTES	**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	8	**5,904**	1,147
Finance costs	8	**(11,118)**	(12,472)
Profit before tax		**149,910**	222,107
Income tax expense	9	**(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	10	**1.41**	2.17
Diluted earnings per share	10	**1.37**	2.12

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	NOTES	2023 $'000	2022 $'000
Assets			
Non-current assets			
Property, plant and equipment	11	**935,848**	930,759
Right-of-use assets	12	**1,368**	1,608
		937,216	932,367
Current assets			
Inventories	13	**99,257**	84,171
Trade and other receivables	14	**153,650**	124,018
Cash and cash equivalents	15	**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	16	**97**	104
Share premium	17	**545,950**	545,950
Other reserves	18	**229,740**	232,759
Retained earnings	19	**367,504**	324,721
Total equity		**1,143,291**	1,103,534
Liabilities			
Non-current liabilities			
Bank loans	20	**15,502**	46,180
Lease liabilities	12	**1,256**	1,540
Provisions	21	**20,877**	19,746
		37,635	67,466
Current liabilities			
Bank loans	20	**32,371**	32,398
Lease liabilities	12	**264**	245
Trade and other payables	22	**38,564**	35,293
Current tax liabilities	23	**6,921**	8,893
Provisions	21	**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.

On behalf of the Board:

M. Carvill
DIRECTOR

3 April 2024

T. Hickey
DIRECTOR

3 April 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	CALLED-UP SHARE CAPITAL $'000	SHARE PREMIUM $'000	OTHER RESERVES* $'000	RETAINED EARNINGS $'000	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 (Note 6)	–	–	5,601	–	5,601
Exercise of share-based payment awards	–	–	(3,363)	–	(3,363)
Shares acquired by the Kenmare Employee Benefit Trust (Note 16)	–	–	(1,797)	–	(1,797)
Shares distributed by the Kenmare Employee Benefit Trust (Note 16)	–	–	1,779	–	1,779
Odd lot offer share buy back (Note 18)	–	–	515	(515)	–
Odd lot offer share buy back transaction costs (Note 16)	–	–	–	(122)	(122)
Cancellation of treasury shares	–	–	(515)	–	(515)
Dividends paid (Note 19)	–	–	–	(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 (Note 6)	**–**	**–**	**3,278**	**–**	**3,278**
Exercise of share-based payment awards	**–**	**–**	**(3,512)**	**(2,197)**	**(5,709)**
Shares acquired by the Kenmare Employee Benefit Trust (Note 18)	**–**	**–**	**(6,182)**	**–**	**(6,182)**
Shares distributed by the Kenmare Employee Benefit Trust (Note 18)	**–**	**–**	**3,390**	**–**	**3,390**
Tender offer share buy back (Note 16)	**(7)**	**–**	**7**	**(29,963)**	**(29,963)**
Share buy back transaction costs (Note 16)	**–**	**–**	**–**	**572**	**572**
Dividends paid (Note 19)	**–**	**–**	**–**	**(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**

* An analysis of other reserves is provided in Note 18.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	NOTES	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	24	**46**	1,110
Share-based payments		**3,278**	5,601
Finance income	8	**(5,904)**	(1,147)
Finance costs	8	**11,118**	12,472
Income tax expense	9	**18,928**	16,073
Depreciation	11, 12	**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	12, 20	**(7,323)**	(7,068)
Factoring and other trade facility fees	8	**(1,467)**	(2,218)
Debt commitment fees paid and other fees	8	**(928)**	(534)
Net cash from operating activities		**153,195**	209,272
Investing activities			
Additions to property, plant and equipment	11	**(66,540)**	(59,867)
Net cash used in investing activities		**(66,540)**	(59,867)
Financing activities			
Dividends paid	19	**(56,611)**	(34,726)
Odd lot offer share buy back	16	**–**	(515)
Odd lot offer share buy back transaction costs	16	**–**	(122)
Tender offer share buy back	18	**(29,963)**	–
Tender offer share buy back transaction costs	18	**572**	–
Market purchase of equity under Kenmare Restricted Share Plan	18	**(6,182)**	(1,797)
Drawdown of debt	20	**–**	20,000
Repayment of debt	20	**(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	15	**71,048**	108,271

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.

The material accounting policies adopted by the Group are set out below.

Adoption of new and revised standards

Standards adopted in the current financial year

The following new and revised standards, all of which are effective for accounting periods beginning on or after 1 January 2023, have been adopted in the current financial year.

- IFRS 17 Insurance Contracts and Amendments to IFRS 17 effective 1 January 2023
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 effective 1 January 2023
- Definition of Accounting Estimate – Amendments to IAS 8 effective 1 January 2023
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 effective 1 January 2023

None of the new and revised standards and interpretations listed above have a material effect on the Group's financial statements.

Standards to be adopted in future accounting periods

At the date of authorisation of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective. The Group will apply the relevant standards from their effective dates. The standards are mandatory for future accounting periods but are not yet effective and have not been early-adopted by the Group.

- Classification of Liabilities as Current or Non-current - Amendment to IAS 1 effective 1 January 2024
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28
- Lease Liability in a Sale and Leaseback - (Amendments to IFRS 16) effective 1 January 2024

The Directors do not expect that the adoption of the Standards and Interpretations listed above will have a material impact on the financial statements of the Group in future periods.

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 set out in the unaudited mineral reserves and resources table on page 51. 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.

Basis of accounting

The financial statements are presented in US Dollars rounded to the nearest thousand. They have been prepared under the historical cost convention except for certain trade receivables and share-based payments, which are recorded at fair value.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company, its subsidiaries and its subsidiaries' branches. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest, and (ii) the previous carrying amount of the assets, less liabilities of the subsidiary. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets and liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required by applicable IFRS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments or, when applicable, the costs on initial recognition of an investment in an associate or a joint venture.

Determination of ore reserve estimates

The Group estimates its ore reserves and mineral resources based on information compiled by a Competent Person as defined in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition (the "JORC Code"). Ore reserves and mineral resources determined in this way are used in the calculation of depreciation, amortisation and impairment charges, the assessment of life of mine and for forecasting the timing of the payment of close-down costs, restoration costs and clean-up costs. In assessing the life of a mine for accounting purposes, mineral resources are taken into account only where there is a high degree of confidence of economic extraction. There are numerous uncertainties inherent in estimating ore reserves and mineral resources and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of final products, production costs or recovery rates may change the economic status of ore reserves and mineral resources and may ultimately result in the reserves being revised.

Accounting for climate change

Management have considered the impact of climate change on amounts reported within the financial statements, including the potential financial impact of the physical and transitional risks identified in the Climate Strategy Report in accordance with the recommendations of the Taskforce on Climate-related Financial Disclosures ("TCFD"). Considerations in respect of climate-related matters have been made on a number of key estimates and judgements including:

- the estimate of future cash flows used in determining the recoverable amount of the Moma Titanium Minerals Mine cash-generating unit;
- the mine closure provision and mine rehabilitation provision; and
- the useful lives of property, plant and equipment.

The Group has set ambitions to be net zero by 2040 (Scope 1 & 2 emissions). the climate transition plan and financial impact is still being assessed as the Group considers how it will work towards meeting this target. As such, the estimate of future cash flows used in determining the recoverable amount of the Moma Titanium Minerals Mine cash-generating unit does not consider the expenditure (or any related savings) associated with the Company's transition plan. Likewise, the future cash flows do not consider the financial impact of the climate risks disclosed within the Group's TCFD reporting as a reliable estimate thereof cannot currently be made.

1. Statement of accounting policies continued

The estimate future cash flows include forecast operating costs from 2024 for the use of bio-diesel to meet a growing proportion of the diesel requirement of the Mine from 2024. The Group has been developing its Biodiversity Offset Management Plan to deliver 15% Net Gain. Included in forecast operating costs are costs of biodiversity monitoring in Namalope, Pilivili and Nataka and expansion of agroforestry. The Group is developing the operating costs for the implementation of the Biodiversity Offset Plan for inclusion in future forecasting. The Group has also included costs for a MSP heat recovery study and study on the partial electrification of MSP dryers. These and other pre-feasibility studies will progress to definitive-feasibility studies and once approved, will be included in the capital forecast associated with delivery of the Climate Transition Plan.

The Group considered whether its climate ambitions required changes to the useful lives of existing assets. The move of WCP A to Nataka involves two higher capacity dredges and removes the need for supplementary dry mining. This will result in a higher electricity requirement but will replace heavy mobile equipment which currently run on diesel. The useful lives of heavy mobile equipment has not been adjusted to reflect this as fleet management will result in these vehicles ceasing to operating at the end of their expected useful lives. No adjustments to useful lives were made during the period as a direct result of the impact of the Group's climate ambition to become net zero as the Group's transition plan is still under development. Should pathways for eliminating fossil fuel power generating assets be identified, depending on technological development within the industry, which is highly uncertain, the Group's property, plant and equipment profile may change and accelerated depreciation of assets may be required in the future. However, at this present time the requirement for fossil fuel powered assets means that early retirement of existing assets is not expected.

The Group estimates the mine closure and rehabilitation provision based on current restoration standards, techniques and climate conditions. Closure plans and cost estimates are supported by detailed studies which are provided by external estimates. Detailed closure cost studies are refreshed at least every five years and these studies are evolving to incorporate greater consideration of forecast climate conditions at closure.

Management continues to monitor future uncertainty around climate change risks and is continually developing the Group's assessment of the impact that climate change has on the amounts recognised in the financial statements. It is, therefore, likely that the future carrying amounts of assets or liabilities may change as the Group's judgments and estimates evolve as the Group responds to its climate change ambitions.

Revenue recognition

Revenue represents the value of goods and services supplied to third parties during the year. Revenue is measured at the fair value of consideration received or receivable and excludes any discounts and applicable sales tax. Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to a customer.

The Group has a mixture of long-term contracts and spot contracts with customers for the sale of mineral products ilmenite, zircon, concentrates and rutile. Sales contracts are evaluated to determine the performance obligations, the transaction price and the point at which there is transfer of control. Sales are made on either a "free on board" (FOB), "cost, insurance and freight" (CIF), or a "cost and freight" (CFR) basis. Control of mineral products passes from the Group to customers on delivery and delivery is deemed to take place when the mineral product is loaded on the ocean-going vessel chartered by either the customer or the Group. The transactional price is the amount of consideration due in exchange for transferring the promised goods or services to the customer and is allocated against the performance obligations and recognised in accordance with whether control is recognised over a defined period or at a specific point in time.

The customer is responsible for the cost of shipping and handling for all FOB Incoterms. The Group is responsible for shipping the mineral product to a destination port specified by the customer for all CIF and CFR Incoterms. The Group has determined that the shipping service represents a separate performance obligation, and revenue in relation to such services is deferred and recognised separately from the sale of the mineral products over time as the shipping service is provided. Shipment revenue is recognised at the contracted price to the Group. All shipping and handling costs incurred by the Group are recognised as a cost of sale.

Taxation

The tax expense represents the sum of the current tax and deferred tax.

Current tax payable is based on the best estimate of the tax amount expected to be paid and reflects uncertainty related to income taxes, if any. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expenses that are taxable or deductible in other financial years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using the tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are not recognised for taxable temporary differences arising on investments in subsidiary undertakings, if the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is released and reflects uncertainty related to income taxes, if any. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and tax liabilities on a net basis.

Property, plant and equipment

The cost of property, plant and equipment comprises any costs directly attributable to bringing an asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the estimated closure costs associated with the asset. This includes the cost of moving plant and associated infrastructure to the orebodies under the Group's mining concessions which form part of the Group's life of mine plan.

Construction in progress expenditures for the construction and commissioning of property, plant and equipment are deferred until the facilities are operational, at which point the costs are transferred to property, plant and equipment and depreciated at the applicable rates.

Subsequent expenditure on an item of property, plant and equipment, including enhancement expenditure, is recognised as part of the cost of an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Property, plant and equipment are depreciated over their useful life on a straight-line basis, or over the remaining life of the Mine if shorter, or on a units of production basis. The major categories of property, plant and equipment are depreciated as follows:

Plant and equipment	Unit of production basis
Development expenditure	Unit of production basis
Other assets	
Vessels	5 to 25 years
Buildings and airstrip	20 years
Mobile equipment	3 to 5 years
Fixtures and equipment	3 to 10 years

Units of production depreciation is calculated using the quantity of heavy mineral concentrate extracted from the Mine for processing in the period as a percentage of the total quantity of heavy mineral concentrate planned to be extracted in current and future periods based on the ore reserve. The ore reserve is updated on an annual basis for results of drilling programmes carried out, mining activity during the year, and other relevant considerations. The unit of production depreciation rate is adjusted as a result of this update and applied prospectively.

Capital spares consist of critical plant spares with estimated useful lives greater than one year and are included in property, plant and equipment. Capital spares are stated at cost.

Residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Changes to the estimated residual values or useful lives are accounted for prospectively.

Development expenditure

Project development costs include expenditure on the development of an orebody including pre-feasibility and feasibility studies on mining the orebody, the transport of mining plants to the orebody, additional infrastructure required to mine the orebody and community resettlement costs.

Project development costs include finance costs and lender and advisor fees incurred during the period before such mine is capable of operating at production levels in the manner intended by management and are deferred and included in property, plant and equipment. In addition, expenses including depreciation during commissioning of the Mine in the period before it is capable of operating in the manner intended by management are deferred. These costs include an allocation of costs, including share-based payments, as determined by management and incurred by Group companies. Interest on borrowings relating to the Mine construction and development projects are capitalised until the point when the activities that enable the Mine to operate in its intended manner are complete. Once the Mine is operating in the manner intended by management, the related costs are depreciated off over the life of the estimated ore reserve of such mine on a unit of production basis, or over its useful life if shorter. Where the Mine project is terminated or impairment of value has occurred, related costs are written off immediately.

1. Statement of accounting policies continued

Exploration and evaluation expenditure

Exploration and evaluation expenditure activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Exploration and evaluation expenditure is charged to the statement of comprehensive income as incurred, except where the existence of a commercially viable mineral deposit has been established and it is expected that the deposit will be mined. Capitalised exploration and evaluation expenditure considered to be tangible is recognised as a component of property, plant and equipment at cost less impairment charges. Until such time as an asset is available for use, it is not depreciated. All capitalised exploration and evaluation expenditure is monitored for indications of impairment as part of development expenditure. To the extent that capitalised expenditure is not expected to be recovered, it is charged to the statement of comprehensive income.

Impairment of non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value less costs to sell is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As the fair value for the Mine is difficult to determine, the Group uses its value in use in estimating the recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of the asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior financial years. A reversal of an impairment loss is recognised as income immediately.

Inventories

Mineral product inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour costs and overheads, including depreciation, incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs necessary to make the sale. Quantities are assessed primarily through surveys and assays.

Consumable spares are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method and comprises the purchase price and related costs incurred in bringing the inventories to their present location and condition. Consumable spares identified as obsolete are recognised as an expense immediately.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The financial assets of the Group consist of cash and cash equivalents and trade and other receivables.

Classification of financial assets

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Cash and cash equivalents are initially measured at fair value and are subsequently measured at amortised cost. They are held by the Group to collect deposit interest and to meet the liquidity requirements of the Group.

The Group has a trade finance facility for three of the Group's customers. In accordance with this facility, the bank purchases 80% of the receivable without recourse and therefore assumes the credit risk. Derecognition of the trade receivables occurs when the customer's invoices are factored and the Group receives cash from the bank.

The Group also has a trade facility for customers to which it sells to under letter of credit terms. Under this facility, the bank confirms the letter of credit from the issuing bank and therefore assumes the credit risk. The bank can also discount these letters of credit thereby providing early payment of receivables to the Group. Derecognition of the trade receivables occurs when the customer's invoices are discounted and the Group receives cash from the bank.

These facilities assist the Group in managing its liquidity for funding of operations. Trade receivables which are not factored are initially measured at fair value and subsequently measured at amortised cost as they are held by the Group in order to collect receipts under the credit terms of the sales contracts i.e. solely payment of principal and interest (SPPI). Trade receivables or letters of credit where it is not known at initial recognition if they will be factored or discounted as the case may be are classified as fair value through other comprehensive income (FVOCI). This is because their cash flows are generated through a combination of collection and sales (by factoring or discounting letters of credit).

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset. Interest income is recognised in profit or loss and is included in the "finance income" line item.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on trade receivables that are not measured at fair value through profit or loss. The Group applies the simplified approach permitted by IFRS 9 Financial Instruments to measure expected credit losses for financial assets which requires expected lifetime losses to be recognised from initial recognition of the receivable. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the trade receivable.

When determining whether the credit risk of a trade receivable has increased the Group considers credit risk ratings where available, the Group's historical credit loss experience, adjusted for factors that are specific to the customers, general economic conditions and an assessment of both the current as well as the forecast conditions at the reporting date. Sales to certain customers are undertaken on a letter of credit basis thereby reducing the credit risk of these customers.

The Group considers a trade receivable to be in default when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed in liquidation or has entered into bankruptcy proceedings. The Group considers a trade receivable to be credit impaired when there is evidence that the customer is in significant financial difficulty and the debt is more than 90 days past due.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For financial assets measured at amortised cost, exchange differences are recognised in profit or loss in the "foreign exchange gains and losses" line.

Financial liabilities and equity

The financial liabilities of the Group consist of bank borrowings, leases and trade payables. The equity of the Group consists of share capital issued by the Company and own shares.

Classification of issued debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Issued equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. The only equity instrument of the Company is ordinary shares.

Own Shares

Ordinary shares acquired by the Company or purchased on behalf of the Company by the Kenmare Employee Benefit Trust are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

1. Statement of accounting policies continued

Financial liabilities

The financial liabilities of the Group are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Financial liabilities measured subsequently at amortised cost

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in profit or loss.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

When the Group exchanges with an existing lender one debt instrument for another with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between the carrying amount of the liability before the modification and the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

Derivative financial instruments

The Group entered into forward contracts during the year to purchase South African Rand from US Dollar. There were no forward contracts outstanding at the year end. No other derivative financial instruments were entered into during the financial year.

Dividends

Dividends are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are recognised when the Group has a possible obligation and the existence of which will only be confirmed by uncertain future events that are not wholly within the control of the Group.

Mine closure provision

The Mine closure provision represents the Directors' best estimate of the Group's liability for close-down, dismantling and restoration of the mining and processing site, excluding reclamation of areas disturbed by mining activities, which is covered under the Mine rehabilitation provision. A corresponding amount equal to the provision is recognised as part of property, plant and equipment and depreciated over its estimated useful life. The costs are estimated on the basis of a formal closure plan and are subject to regular review. The Mine closure provision is determined as the net present value of such estimated costs discounted at a risk-free rate. The Group uses long term rates as provided by the US Treasury. This is deemed the best estimate to reflect the current market assessment of the time value of money on a risk-free basis. Risks specific to the liability are included in the cost estimate. Changes in the expected costs or estimated timing of costs are recorded by an adjustment to the provision and a corresponding adjustment to property, plant and equipment. The unwinding of the discount on the Mine closure provision is recognised as a finance cost.

Mine rehabilitation provision

The Mine rehabilitation provision represents the Directors' best estimate of the liability for reclaiming areas disturbed by mining activities. Reclamation costs are recognised in each period in the statement of comprehensive income based on the area disturbed in such period.

Segmental reporting

Information on the operations of the Moma Titanium Minerals Mine in Mozambique is reported by the Executive Committee to the Group's Board for the purposes of resource allocation and assessment of segment performance. The principal categories for disaggregating revenue are by product type and by country of the customer's location. The product types are ilmenite, zircon, rutile and concentrates. Concentrates includes secondary zircon and mineral sands concentrates.

Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, the Directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

Property, plant and equipment

The recovery of property, plant and equipment is dependent upon the successful operation of the Mine. The realisation of cash flow forecast assumptions would result in the recovery of such amounts. During the financial year, the Group carried out an impairment review of property, plant and equipment. In performing the impairment review, a significant level of judgement is required in determining the key assumptions which have a significant impact on the impairment model. The assumptions are set out in Note 11. As a result of the review, no impairment provision is required in the financial year.

Consolidation of Structured Entities

The Group has established the Kenmare Employee Benefit Trust which facilitates the operation of the Kenmare Restricted Share Plan (KRSP). Whilst the Group does not hold any of the equity of the trust, the Directors have concluded that the Group controls its activities and therefore the financial statements of the trust are included in the Group's Consolidated Financial Statements.

Key sources of estimation uncertainty

The preparation of financial statements requires the Directors to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date. The nature of estimation means the actual outcomes could differ from those estimates. The main areas subject to estimation uncertainty are detailed below.

Provisions

Mine closure and mine rehabilitation provision

The Mine closure provision represents the Directors' best estimate of the Group's liability for close-down, dismantling and restoration of the mining and processing site, excluding reclamation of areas disturbed by mining activities, which is covered under the Mine rehabilitation provision. The costs are estimated on the basis of a formal closure plan and are subject to regular review. The Mine closure provision is estimated based on the net present value at the risk-free rate of estimated future Mine closure costs. Mine closure costs are a normal consequence of mining, and the majority of such costs are incurred at the end of the life of mine.

The Mine rehabilitation provision represents the Directors' best estimate of the Group's liability for reclaiming areas disturbed by mining activities. Reclamation costs are recognised in each period based on the area disturbed in the period and an 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.

There is significant estimation uncertainty in the calculation of the mine closure and mine rehabilitation provision and cost estimates can vary in response to many factors including:

- Changes to the relevant legal or local/national government requirements and any other commitments made to stakeholders;
- Additional remediation requirements identified during the rehabilitation;
- The emergence of new restoration techniques;
- Change in the expected closure date;
- Change in the discount rate; and
- The effects of inflation.

The quantitative inputs and sensitivity information relating to the mine closure and mine rehabilitation provision are detailed in Note 21.

1. Statement of accounting policies continued

Units of production depreciation

Units of production depreciation is calculated using the quantity of heavy mineral concentrates extracted from the Mine for processing in the period as a percentage of the total quantity of heavy mineral concentrates planned to be extracted in current and future periods based on the ore reserve as detailed in the unaudited mineral reserves and resources table on page 51.

The Group estimates its ore reserves and mineral resources based on information compiled by a Competent Person as defined in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition. There are numerous uncertainties inherent in estimating ore reserves, and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of final products, production costs or recovery rates may change the economic status of reserves and may ultimately result in the reserves being revised.

2. Revenue

	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).

	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.

	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.

	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:

	2023			2022		
	CORPORATE $'000	MOZAMBIQUE $'000	TOTAL $'000	CORPORATE $'000	MOZAMBIQUE $'000	TOTAL $'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

	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

Expenses by nature can be analysed as follows:

	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 13. 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. Employee benefits

The aggregate payroll costs incurred in respect of employees comprised:

	2023 $'000	2022 $'000
Wages and salaries	**51,864**	47,698
Share-based payments	**3,278**	5,601
Social insurance costs	**3,201**	2,764
Retirement benefit costs	**755**	706
	59,098	57,769

Employee benefits capitalised in property, plant and equipment in the year were $0.8 million (2022: $0.8 million).

Included in the payroll cost above are Executive and Non-Executive Director emoluments (inclusive of share-based payments) of $3.5 million (2022: $3.9 million).

The Company contributes to a Company pension plan or individual pension schemes on behalf of certain employees. Contributions to the scheme of $0.8 million (2022: $0.7 million) were charged in the period in which they are payable to the scheme.

The average number of persons employed by the Group (including Executive Directors) in 2023 was 1,687 (2022: 1,662) and is analysed below:

	2023 HEADCOUNT	2022 HEADCOUNT
Management and administration	**384**	347
Operations	**1,303**	1,315
	1,687	1,662

6. Share-based payments

Share-based payment expense recognised in the consolidated income statement:

	2023 $'000	2022 $'000
Expense arising from the Kenmare Restricted Share Plan	**3,278**	5,601

The Group, under its incentive plan known as the Kenmare Restricted Share Plan (KRSP), grants equity-settled share-based payments to employees as part of their remuneration.

In the case of the Executive Directors', KRSP awards made prior to 2020 vest, subject to continued employment, 60% on the third anniversary of grant date, 20% on fourth anniversary, and 20% on fifth anniversary.

The Executive Director awards granted from 2020 onwards vest, subject to continued employment and to the Remuneration Committee's assessment against a discretionary underpin, on the third anniversary of grant date. The vested KRSP awards are subject to a two-year holding period which may extend beyond an Executive Director's cessation of employment in accordance with the post-employment holding requirements of the 2020 remuneration policy.

The discretionary underpin contains six core elements which the Remuneration Committee will consider including operational performance, share price performance, ESG performance, major strategic or project decisions, and the long-term strategic vision for the Company. The committee has not set fixed, quantitative underpins in respect of these factors. As such, these elements including share price performance are considered non-market performance conditions and accordingly are not reflected in the grant date fair value. The grant date of awards containing a discretionary underpin is deemed to occur when a shared understanding of the award is obtained by all parties and this generally occurs upon the Remuneration Committees assessment of the Group's performance in the year of vesting.

In addition, in the case of Executive Directors, where the annual bonus achieved exceeds 50% of base salary, Executive Directors are granted restricted shares under the KRSP in respect of the excess outcome above this level. Such restricted shares would not be subject to forfeiture or the discretionary underpin.

For other Group employees, awards under the KRSP vest, subject to continued employment, on the third anniversary of award.

	NUMBER OF SHARES 2023	NUMBER OF SHARES 2022
Awards outstanding at the beginning of the financial year	**2,562,203**	2,284,429
Awards issued during the financial year	**943,670**	927,832
Awards exercised during the financial year	**(1,093,552)**	(540,973)
Awards forfeited during the financial year	**(116,466)**	(31,530)
Awards cancelled during the financial year	**(21,479)**	(77,555)
Awards Outstanding at the end of the financial year	**2,274,376**	2,562,203
Awards Exercisable at the end of the financial year	**26,673**	22,588

In 2023, awards in respect of 676,892 shares were granted to employees under the 2023 KRSP award. The estimated fair value of the shares awarded is $3.9 million. During the year 266,778 shares were granted in the form of dividend equivalents. The fair value is determined using the share price on the date of the award.

In 2023, awards in respect of 1,093,552 shares (2022: 540,973) were exercised under the KRSP award. 1,002,415 awards (2022: 295,443) were exercised in equity through shares held by the Kenmare Employee Benefit Trust as described in Note 18 and 91,137 awards (2022: 245,443) were settled in cash resulting in a total cost of exercise of share based payments of $5.7 million (2022: $3.4 million).

7. Auditor's remuneration

The analysis of the auditor's remuneration is as follows:

	2023 $'000	2022 $'000
Audit fees		
Audit of the Company's financial statements	**22**	18
Audit of the Company's subsidiary undertakings	**220**	162
Total audit fee	**242**	180
Non-audit fees		
Other assurance services	**80**	76
Taxation compliance services	**10**	10
Other non-audit services	**11**	11
Total non-audit fees	**101**	97
Total fees	**343**	277

$176,200 (2022: $116,300) of the total fee was paid to KPMG Dublin and $166,600 (2022: $160,900) of the total fee was paid to KPMG Maputo.

8. Net finance costs

	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.

9. Income tax expense

	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%).

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).

10. 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:

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

	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.

11. 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 21.

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 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.

12. 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

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:

	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:

	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	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

13. Inventories

	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 million (2022: $nil) to mineral products charged to cost of sales to value mineral products at net realisable value.

14. Trade and other receivables

	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 24.

15. Cash and cash equivalents

	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.

16. Called-up share capital

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

	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)**	–
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 net 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.

17. Share premium

	2023 $'000	2022 $'000
Opening balance	**545,950**	545,950
Shares issued during the year	**–**	–
Closing balance	**545,950**	545,950

There were no additions to share premium during the year (2022: $nil).

18. Other reserves

	UNDENOMINATED CAPITAL $'000	OWN SHARES $'000	SHARE-BASED PAYMENT RESERVE $'000	TOTAL $'000
Balance at 1 January 2022	226,278	–	4,261	230,539
Recognition of share-based payment expense	–	–	5,601	5,601
Exercise of share-based payment awards	–		(3,363)	(3,363)
Odd lot offer share buy back (Note 16)	–	515	–	515
Cancellation of treasury shares	–	(515)	–	(515)
Shares acquired by the Kenmare Employee Benefit Trust	–	(1,797)	–	(1,797)
Shares distributed by the Kenmare Employee Benefit Trust	–	1,779	–	1,779
Balance at 1 January 2023	**226,278**	**(18)**	**6,499**	**232,759**
Recognition of share-based payment expense	**–**	**–**	**3,278**	**3,278**
Exercise of share-based payment awards	**–**	**–**	**(3,512)**	**(3,512)**
Tender offer share buy back (Note 16)	**7**	**(29,963)**	**–**	**(29,956)**
Cancellation of treasury shares	**–**	**29,963**	**–**	**29,963**
Shares acquired by the Kenmare Employee Benefit Trust	**–**	**(6,182)**	**–**	**(6,182)**
Shares distributed by the Kenmare Employee Benefit Trust	**–**	**3,390**	**–**	**3,390**
Balance at 31 December 2023	**226,285**	**(2,810)**	**6,265**	**229,740**

Undenominated capital

Undenominated capital consists of the capital conversion reserve fund and the capital redemption reserve fund. The movement in undenominated capital during the year relates to the share buy back as detailed in Note 16.

Capital conversion reserve fund

The capital conversion reserve fund totalling $0.8 million arose from the renominalisation of the Company's share capital from Irish Punts to Euros.

Capital redemption reserve fund

The capital redemption reserve represents the nominal value of share capital repurchased. At 31 December 2023, the reserve balance stands at $225.5 million (2022: $225.5 million).

Own Shares

Own shares represent shares acquired by the Kenmare Employee Benefit Trust under the terms of the Kenmare Restricted Share Plan.

	2023 NO. OF SHARES	2022 NO. OF SHARES
At 1 January	**3,034**	–
Tender offer share buy back	**5,601,390**	–
Odd lot offer share buy back	**–**	92,419
Cancellation of treasury shares	**(5,601,390)**	(92,419)
Shares acquired by the Kenmare Employee Benefit Trust	**1,206,909**	298,477
Shares distributed by the Kenmare Employee Benefit Trust	**(661,892)**	(295,443)
Closing balance	**548,051**	3,034

As at 31 December 2023, the nominal value of treasury shares held by the Kenmare Employee Benefit Trust was $2.8 million (2022: $0.01 million). During the year, treasury shares were purchased by the Kenmare Employee Benefit Trust at an average price of $5.10. The number of treasury shares held by the Kenmare Employee Benefit Trust represents 0.006% of the total called up share capital of the Company.

Further information on the odd lot buy back and Tender Offer buy back can be found in Note 16.

Share-based payment reserve

The share-based payment reserve arises on the grant of shares under the Group share-based payment schemes as detailed in Note 6.

19. Retained earnings

	2023 $'000	2022 $'000
Opening balance	**324,721**	154,050
Profit for the financial year attributable to equity holders of the Parent	**130,982**	206,034
Tender Offer share buy back (Note 16)	**(29,963)**	–
Tender Offer share buy back transaction costs (Note 16)	**572**	–
Odd lot offer share buy back (Note 16)	**–**	(515)
Odd lot offer share buy back transaction costs (Note 16)	**–**	(122)
Exercise of share options	**(2,197)**	–
Dividends paid	**(56,611)**	(34,726)
Closing balance	**367,504**	324,721

Retained earnings comprise the accumulated profit and losses in the current and prior financial years net of dividends, share buy backs and related costs, and adjustments relating to the share-based payment reserve.

In May 2023, the Company paid a final 2022 dividend of $41.1 million representing USc43.33 per share (2022: USc25.42). In October 2023, the Company paid a 2023 interim dividend of USc17.5 (2022: USc10.98) per ordinary share, totalling $15.6 million.

20. Bank loans

	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 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 and $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	**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).

21. Provisions

	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.

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.

22. Trade and other payables

	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.

23. Current tax liabilities

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

Refer to Note 9 for further information on the Group's tax expense.

24. Financial instruments

	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 Barclay's bank facility.
3 Relates to trade receivables which will not be discounted or factored..

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.

24. Financial instruments continued

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 are 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:

	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

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:

	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

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

	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			2022		
	LONG-TERM CREDIT RATING			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.

24. Financial instruments continued

The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2023 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	**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 20, 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 $93,664 million (2022: $11.5 million) as disclosed in Note 26.

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.

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:

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

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.

24. Financial instruments continued

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.

25. Capital management

The Group's capital management objective is to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of debt and equity balances.

The principal activity of the Group is the operation of the Mine. The Group therefore manages its capital to ensure existing operations are adequately funded and, based on planned mine production levels, that the Mine will continue to achieve positive cash flows allowing returns to shareholders.

At 31 December 2023, the Group had total debt facilities in place of $150 million (2022: $150 million), details of which are set out in Note 20.

The Board periodically reviews the capital structure of the Group, including the cost of capital and the risks associated with each class of capital. The Group manages and, if necessary, adjusts its capital structure taking account of the underlying economic conditions. Any material adjustments to the Group's capital structure in terms of the relative proportions of debt and equity are approved by the Board. The Group is not subject to any externally imposed capital requirements.

The definition of capital/capital structure of the Group consists of debt (which includes bank borrowings as disclosed in Note 20 and leases as disclosed in Note 12) and equity attributable to equity holders of the Company, comprising issued capital, reserves, retained profits and other reserves as disclosed in Notes 16 to 19.

26. Capital commitments

	2023 $'000	2022 $'000
Contracts for future expenditure authorised by the Board:		
Capital authorised and contracted	**93,664**	11,535
Capital authorised and not contracted	**39,066**	12,439

Capital authorised and contracted represents the amount authorised and contracted at 31 December of the relevant financial year to be spent on mine operations-related approved capital projects.

Capital authorised not contracted represents the amount not contracted but authorised at 31 December of the relevant financial year to be spent on mine operations-related approved capital projects.

27. Related party transactions

Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	2023 $'000	2022 $'000
Short-term employee benefits	**2,354**	2,295
Post-employment benefits	**113**	104
Share-based payments	**644**	837
Total benefits	**3,111**	3,236

Further information about the remuneration of individual Directors and payments to former Directors is provided in the Directors' annual report on remuneration on pages 128 to 139 and is deemed to be incorporated in this note to the financial statements.

28. Kenmare Resources plc

Kenmare Resources Public Company Limited is a public limited company. The place of registration is Ireland and the registered office address is Styne House, Hatch Street Upper, Dublin 2. The registered number is 37550.

29. 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.

30. Approval of financial statements

The financial statements were approved by the Board on 3 April 2024.

In 2023 Kenmare rehabilitated 187 hectares of previously mined land as part of its progression rehabilitation practices. As part of this work, Elton has pioneered innovative rehabilitation strategies that have enhanced the survival rates of various plant species. In 2024, he is looking forward to seeing the continuing results of these trials.

Elton Sacurgy
LAND MANAGEMENT SUPERINTENDENT

COMPANY FINANCIAL STATEMENTS

PARENT COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	NOTES	2023 $'000	2022 $'000
Assets			
Non-current assets			
Property, plant and equipment	2	**384**	492
Right-of-use asset	3	**682**	891
Investments in subsidiaries	4	**804,010**	802,909
		805,076	804,292
Current assets			
Amounts due from subsidiary undertakings	5	**5,233**	47,781
Trade and other receivables	6	**315**	418
Cash and cash equivalents	7	**38,748**	9,812
		44,296	58,011
Total assets		**849,372**	862,303
Equity			
Capital and reserves attributable to the Company's equity holders			
Called-up share capital	8	**97**	104
Share premium	8	**545,950**	545,950
Other reserves	8	**229,740**	232,759
Retained earnings		**9,226**	24,976
Total equity		**785,013**	803,789
Non-current liabilities			
Lease liabilities	3	**625**	840
Amounts due to subsidiary undertakings	9	**54,116**	54,116
		54,741	54,956
Current liabilities			
Amounts due to subsidiary undertakings	9	**1,215**	1,048
Lease liabilities	3	**215**	220
Current tax liabilities	11	**6,055**	1
Trade and other payables	10	**2,133**	2,289
		9,618	3,558
Total liabilities		**64,359**	58,514
Total equity and liabilities		**849,372**	862,303

The accompanying notes form part of these financial statements.

On behalf of the Board:

M. Carvill	T. Hickey
DIRECTOR	DIRECTOR
3 April 2024	3 April 2024

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	CALLED-UP SHARE CAPITAL $'000	SHARE PREMIUM $'000	OTHER RESERVES $'000	RETAINED EARNINGS $'000	TOTAL $'000
Balance at 1 January 2022	104	545,950	230,539	51,716	828,309
Total comprehensive income for the year					
Profit for the financial year	–	–	–	8,623	8,623
Total comprehensive income for the year	–	–	–	8,623	8,623
Transactions with owners of the Company					
Odd lot offer share buy back	–	–	–	(515)	(515)
Odd lot offer share buy back transaction costs	–	–	–	(122)	(122)
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
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**	**24,976**	**803,789**
Total comprehensive income for the year					
Profit for the financial year	**–**	**–**	**–**	**72,449**	**72,449**
Total comprehensive income for the year	**–**	**–**	**–**	**72,449**	**72,449**
Transactions with owners of the Company					
Tender offer share buy back	**(7)**	**–**	**7**	**(29,963)**	**(29,963)**
Tender offer share buy back transaction costs	**–**	**–**	**–**	**572**	**572**
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**
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**	**9,226**	**785,013**

1. Statement of accounting policies

The Company Financial Statements of Kenmare Resources plc (the "Company") are prepared on a going concern basis under the historical cost convention, in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101') and the Companies Act 2014.

In preparing these Financial Statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (Adopted IFRSs), but makes amendments where necessary in order to comply with the Companies Act 2014 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- A cash flow statement and related notes;
- Comparative period reconciliations for tangible fixed assets and share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRS; and
- Disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements of the Group are prepared in accordance with IFRS as adopted by the EU and include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 2 Share-Based Payments;
- Certain disclosures required by IFRS 13 Fair Value Measurement;
- The disclosures required by IFRS 7 Financial Instruments: Disclosures; and
- Certain disclosures required by IFRS 16 Leases.

In accordance with Section 304(2) of the Companies Act 2014, the Company is availing of the exemption from presenting its individual statement of comprehensive income to the Annual General Meeting and from filing it with the Companies Registration Office. The Company's profit for the financial year determined in accordance with IFRS is $72.5 million (2022: $8.6 million). The profit consists of income from shares in group undertakings, marketing and management services fee income less administration and other costs.

The financial statements have been prepared in US Dollars and are rounded to the nearest thousand.

The principal accounting policies adopted are the same as those set out for the Group financial statements except as noted below. The accounting policies have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Accounting policies applying only to the Company financial statements

Investments in subsidiaries

Investments in subsidiary undertakings are accounted for under IAS 27 Separate Financial Statements. Investments in subsidiaries are recognised at cost less impairment.

Equity-settled share-based payments granted by the Company to employees of subsidiary companies are accounted for as an increase in the carrying value of the investment in subsidiary companies and the share based payment reserve.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of companies within the Group, the financial guarantee liability is initially measured at its fair value. The fair value of a financial guarantee contract is determined as the present value of the cost of the guarantee for the total debt facility.

At each reporting date the financial guarantee liability is subsequently measured at the higher of (i) the amount initially recognised less the cumulative amount of income recognised in accordance with the principles of IFRS 15 Revenue from Contracts with Customers and (ii) the loss allowance i.e. the expected credit losses under IFRS 9 Financial Instruments.

Impairment of investments in subsidiaries

At each reporting date, the Company reviews the carrying amounts of its investments in subsidiaries to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value less costs to sell is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of the asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior financial years. A reversal of an impairment loss is recognised as income immediately.

Amounts due from subsidiary undertakings

Amounts due from subsidiaries comprise of loans and borrowings and other receivables. All loans and borrowings are initially recorded at fair value, net of transaction costs and allowances for expected credit losses. Loans and borrowings are subsequently stated at amortised cost. Interest income is recognised using the effective interest method calculated by applying the effective interest rate to the gross carrying amount of a financial asset. Interest income is recognised in profit or loss and is included in the "finance income" line item.

Other receivables due from subsidiaries are initially recognised at their transaction value and subsequently carried at amortised cost, net of allowance for expected credit loss.

Impairment of amounts due from subsidiary undertakings

The Company recognises a loss allowance for expected credit losses on financial assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the financial asset. When determining whether the credit risk of a financial asset has increased the Company considers credit risk ratings where available, the Company's historical credit loss experience, adjusted for factors that are specific to the counterparts, general economic conditions and an assessment of both the current as well as the forecast conditions at the reporting date.

The Company considers a financial asset to be in default when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed in liquidation or has entered into bankruptcy proceedings. The Company considers a financial asset to be credit-impaired when there is evidence that the debtor is in significant financial difficulty and the debt is more than 90 days past due.

Amounts due to subsidiary undertakings

Amounts due to subsidiary undertakings are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Critical judgements in applying the Company's accounting policies

In the process of applying the Company's accounting policies, the Directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Impairment of non-current assets

Where there are indicators of impairment of non-current assets, the Company performs impairment tests based on fair value less costs to sell or a value-in-use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value-in-use calculation is based on a discounted cash flow model. The cash flows are derived from the budget and do not include restructuring activities that are not yet committed to or significant future financial assets that will enhance performance of the financial assets being tested. The value-in-use calculation is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes. Additionally, in some instances the Company obtains a third-party valuation of a financial asset and relies on this source if the valuation is current.

2. Property, plant and equipment

	FIXTURES AND FITTINGS $'000	MOTOR VEHICLES $'000	TOTAL $'000
Cost			
At 1 January 2023	934	131	1,065
At 31 December 2023	**934**	**131**	**1,065**
Accumulated depreciation			
At 1 January 2023	442	131	573
Charge for the financial year	108	–	108
At 31 December 2023	**550**	**131**	**681**
Carrying amount			
At 31 December 2023	**384**	**–**	**384**
At 1 January 2023	492	–	492

At each reporting date, the Company assesses whether there is any indication that property, plant and equipment may be impaired. No impairment indicators were identified as at 31 December 2023 or 31 December 2022.

3. Right-of-use assets

	LAND & BUILDINGS $'000
At 1 January 2022	1,086
Depreciation expense	(195)
At 31 December 2022	891
Depreciation expense	(209)
At 31 December 2023	**682**

On 1 January 2019, the Group recognised lease liabilities of $3.3 million in respect of right-of-use assets being its head office at Styne House, Dublin. The Styne House lease has a term of 10 years commencing August 2017 and rental payments are fixed for the remainder of the lease term. This lease obligation is denominated in Euros.

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.

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

	2023 $'000	2022 $'000
Current	**215**	220
Non-current	**625**	840
Total	**840**	1,060

The income statement includes the following amounts relating to leases:

	2023 $'000	2022 $'000
Depreciation expense	**209**	195
Interest expense on lease liabilities	**40**	83
Total	**249**	278

4. Investments in subsidiaries

	2023 $'000	2022 $'000
Opening balance	**802,909**	801,098
Capital contribution	**1,101**	1,811
Closing balance	**804,010**	802,909

The investment balance of $804.0 million (2022: $802.9 million) comprises an investment in Kenmare Moma Mining (Mauritius) Limited and Kenmare Moma Processing (Mauritius) Limited, collectively known as "the Project Companies", in the amount of $792.7 million (2022: $792.7 million), initial investments of less than $500 in the other subsidiary undertakings of the Company and capital contributions of $11.3 million (2022: $10.2 million).

The Company has provided loans to the subsidiaries at rates considered favourable to the borrowers. As a result, the Company recognised a total capital contribution amounting to $3.2 million (2022: $3.2 million) representing the difference between the loan amounts and their fair value discounted at a market rate of interest of 5%. The total amount recognised as an addition during the year was $nil million (2022: $1.0 million).

The Company is involved in a group share-based payment scheme whereby the Company has an obligation to settle awards relating to employees of subsidiaries and is therefore considered the settling entity. The Company accounts for the arrangement in accordance with IAS 27 Separate Financial Statements and recognises an addition to the cost of its investment in the relevant subsidiary undertakings. The capital contribution relating to share awards of the Project Companies amounts to $8.1 million (2022: $7.0 million). The total amount recognised as an addition under group share-based payment schemes during the year was $1.1 million (2022: $0.8 million).

The Company has undertaken to guarantee the debt of its subsidiaries. At 31 December 2022, these guarantees were accounted for in accordance with the requirements of IFRS 4 Insurance Contracts. IFRS 4 Insurance contracts was replaced by IFRS 17 Insurance Contracts, effective from 1 January 2023.

The replacement requires companies which explicitly asserted that intra-group guarantees were considered insurance contracts, and accounted for as such, to elect for the application of IFRS 17 Insurance Contracts or IFRS 9 Financial Instruments on a contract-by-contract basis. The Company has elected to account for intra group guarantees in accordance with IFRS 9 Financial Instruments.

IFRS 9 Financial Instruments requires a financial liability to be measured at its fair value in relation to the intra-group guarantee contracts at initial recognition, with the corresponding entry recorded as an investment in subsidiary. Subsequently, the financial liability is measured at the higher of (i) the initial fair value less the cumulative amount of income recognised in accordance with the principles of IFRS 15 Revenue from Contracts with Customers and (ii) the expected credit loss. Amortisation for the unwinding of the financial liability is recognised within profit or loss over the period of the guarantee contract.

The guarantee has been valued at nil on the basis it was made to allow funds to flow to the Company from it subsidiary undertakings without affecting Lender security but not as a realistic mechanism to have debt repaid if the subsidiary undertakings were to default.

The subsidiary undertakings of the Company as at 31 December 2023 are as follows:

	PLACE OF INCORPORATION	PLACE OF OPERATION	PERCENTAGE OWNERSHIP
Kenmare C.I. Limited	Jersey	Jersey	100%
Congolone Heavy Minerals Limited	Jersey	Mozambique	100%
Kenmare Moma Mining (Mauritius) Limited	Mauritius	Mozambique	100%
Kenmare Moma Processing (Mauritius) Limited	Mauritius	Mozambique	100%
Mozambique Minerals Limited	Jersey	Mozambique	100%

Each of the subsidiary undertakings has issued ordinary shares only. The activities of the above subsidiary undertakings are mining, mineral exploration, management and development.

The registered office of the Irish company is Styne House, Hatch Street Upper, Dublin 2, D02 DY27. The registered office of the Jersey companies is Zedra Trust Company (Jersey) Limited, 50 La Colomberie, St. Helier, Jersey. The registered office of the Mauritian companies is 10th Floor, Standard Chartered Tower, 19 Cybercity, Ebene, Mauritius.

The Company carried out an impairment review of investments in subsidiary undertakings as at 31 December 2023. As a result of the review, an indicator of impairment was identified in the Company's investment in Kenmare Moma Processing (Mauritius) Limited and Kenmare Moma Mining (Mauritius) Limited as a result of the carrying value of the Company's investment in subsidiaries being in excess of the Group's market capitalisation.

In accordance with IAS 36, management calculated the recoverable amount of both investments, which, for the purposes of the impairment test were considered collectively to form part of a cash-generating unit, namely the Moma Titanium Minerals Mine. As a result of the impairment review, management concluded that the recoverable amount of the cash-generating unit exceeded the carrying amount and as such no impairment loss was recorded. Further information on the assumptions used in the impairment test can be found in Note 11 to the Group Consolidated Financial Statements.

5. Amounts due from subsidiary undertakings

	2023 $'000	2022 $'000
Loans and borrowings	–	45,363
Other payables	**5,233**	2,418
Closing balance	**5,233**	47,781

Under the terms of a management services agreement and marketing services agreement between the Company and the Project Companies, the Company earned $9.5 million (2022: $9.2 million) in respect of management services provided during the year to both Project Companies and $13.1 million (2022: $15.0 million) in respect of marketing services provided during the year to Kenmare Moma Processing (Mauritius) Limited. The collective amount outstanding at the year end date in relation to these services is $5.2 million (2022: $2.4 million).

During the year, the Project Companies repaid all loans due as set out below. Interest accrued amounted to $0.2 million at 31 December 2023 (2022: $0.3 million). The carrying amount due from subsidiary undertakings represents the maximum credit exposure. Amounts due from subsidiary undertakings are current (i.e. not overdue). The expected credit losses provided against amounts due from subsidiary undertakings is $nil million (2022: $0.6 million).

	2023 $'000	2022 $'000
Interest at 5.02%, repayable on 20 April 2023	–	25,457
Interest at 5.02%, repayable on 4 June 2023	–	10,250
Interest at 5.02% repayable on 8 June 2023	–	10,250
Net amount due for settlement	–	45,957
Expected credit losses	–	(594)
Closing balance	–	45,363

6. Trade and other receivables

	2023 $'000	2022 $'000
Prepayments	**315**	418

7. Cash and cash equivalents

	2023 $'000	2022 $'000
Cash at bank and in hand	**38,748**	9,812

8. Share capital, share premium and other reserves

Relevant disclosures on the Company's share capital, share premium and other reserves are given in Notes 19 to 21 to the Group Consolidated Financial Statements.

9. Amounts due to subsidiary undertakings

	2023 $'000	2022 $'000
Loans and borrowings	**36,636**	36,636
Other payables	**18,695**	18,528
Closing balance	**55,331**	55,164
Non-current	**54,116**	54,116
Current	**1,215**	1,048
Closing balance	**55,331**	55,164

Loan amounts owed to subsidiary undertakings consist of an amount due to Kenmare C.I. Ltd of $36.6 million (2022: $36.6 million) at the year end as a result of a Novation and Subscription Deed entered into in 2019. In addition, other payables include an amount of $17.4 million (2022: $17.4 million) due to Kenmare C.I. Ltd as a result of subsequent inter-group funding. The amounts due to Kenmare C.I. Limited are interest free and unsecured. Kenmare C.I. Ltd does not intend to demand repayment of the amounts due within one year from the year end.

During the year, costs of $2.3 million (2022: $1.8 million) were recharged to the Company by Kenmare C.I. Limited under a group cost agreement. The amount due to Kenmare C.I. Ltd under the group cost agreement is $0.8 million (2022: $0.7 million) at the year end.

During the year costs of $0.5 million (2022: $0.5 million) were recharged to the Company by its subsidiary, Mozambique Minerals Limited under a group cost agreement. The amount due to Mozambique Minerals Ltd is $0.4 million (2022: $0.4 million) at the year end.

10. Trade and other payables

	2023 $'000	2022 $'000
Trade payables	**50**	6
Accruals	**2,083**	2,283
	2,133	2,289

11. Tax liabilities

	2023 $'000	2022 $'000
Tax liabilities	**6,055**	1

12. Financial risk management

	2023		2022		
	CARRYING AMOUNT $'000	**FAIR VALUE $'000**	CARRYING AMOUNT $'000	FAIR VALUE $'000	
Financial assets not measured at fair value					
Loans & borrowings	**–**	**–**	45,363	45,363	Level 2
Cash and cash equivalents	**38,748**	**38,748**	9,812	9,812	Level 2
	38,748	**38,748**	55,715	55,715	
Financial liabilities not measured at fair value					
Loans & borrowings	**36,636**	**36,636**	36,636	36,636	Level 2

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.

Credit risk management

Credit risk is the risk of financial loss to the Company's if a customer or a counterparty to a financial instrument fails to meet it contractual obligations and arises principally from the Company's trade receivables from customers. The carrying amount of financial assets represents the maximum credit exposure. The expected credit losses provided against amounts due from subsidiary undertakings is $nil (2022: $0.6 million).

Foreign exchange risk management

The Company does not have any material assets or liabilities denominated in any currency other than US Dollars at 31 December 2023 or at 31 December 2022 which would give rise to a significant transactional currency exposure.

13. Dividends

The dividends paid in respect of ordinary share capital were as follows:

	2023 $'000	2022 $'000
Dividends	**56,611**	34,726

In May 2023, the Company paid a final 2022 dividend of $41.1 million representing USc43.33 per share (2022: USc25.42). In October 2023, the Company paid a 2023 interim dividend of USc17.5 (2022: USc10.98) per ordinary share, totalling $15.6 million.

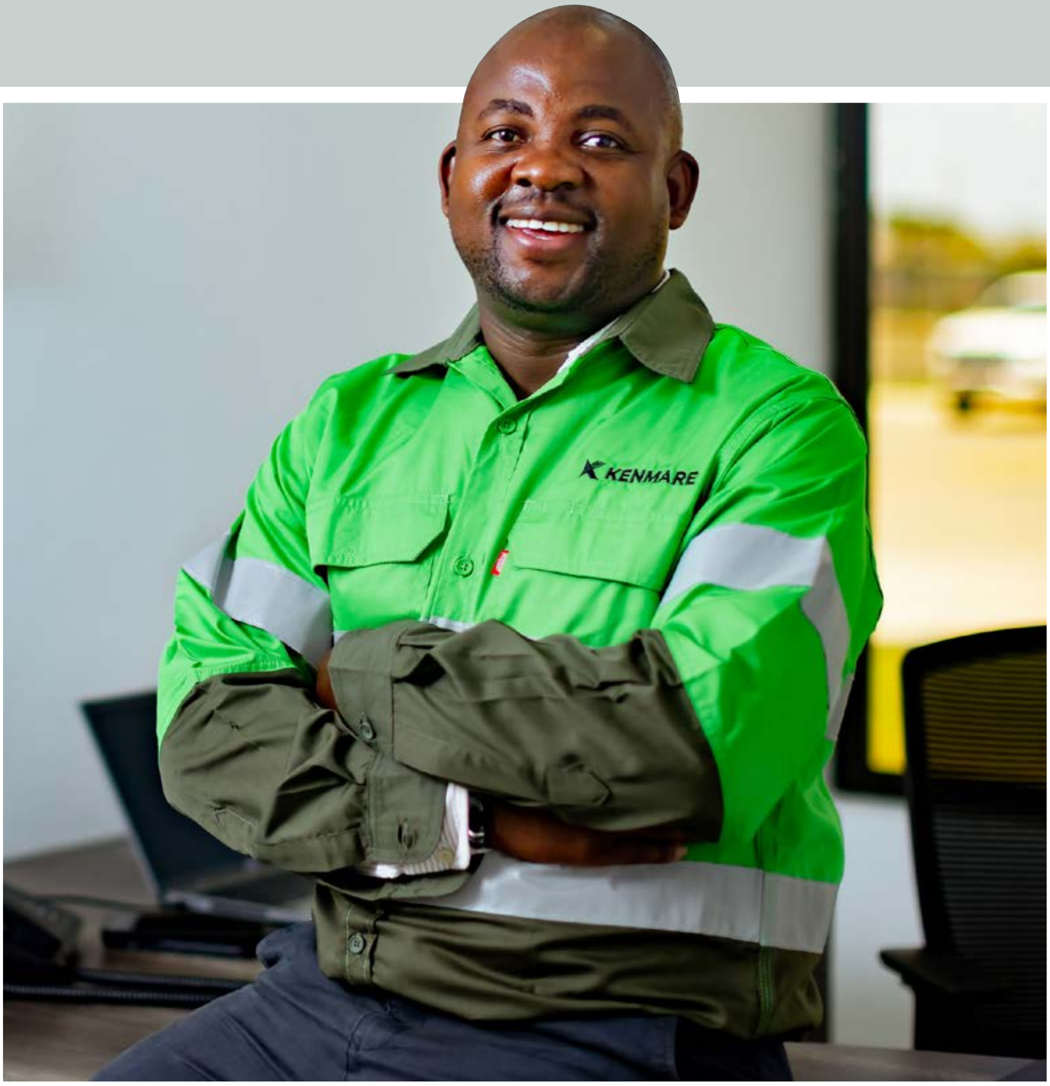
14. Events after the statement of financial position

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.

15. Approval of financial statements

The financial statements were approved by the Board on 3 April 2024.



Employees at the Moma Mine received an average of 45 hours of training per person in 2023. Benjamin is Kenmare's newly appointed Head of Organisational Development and in 2024 he's looking forward to further fostering the development of individuals as part of a fresh initiative.

Benjamin Chachuaio
HEAD OF ORGANISATIONAL DEVELOPMENT

OTHER INFORMATION

SHAREHOLDER PROFILE

BASED ON THE REGISTER AS AT 25 MARCH 2024

Size of holdings

	NO. OF SHAREHOLDERS	NO. OF SHARES HELD
1–1,000	610	105,711
1,001–5,000	56	107,570
5,001–25,000	15	161,017
25,001–100,000	2	108,434
Over 100,000	1	88,745,429
Total	**684**	**89,228,161**

Geographic distribution of holdings

	NO. OF SHAREHOLDERS	NO. OF SHARES HELD
Republic of Ireland	200	134,118
Northern Ireland and Great Britain	365	89,068,005
Other	119	26,038
Total	**684**	**89,228,161**

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 Group 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 $M	2020 $M	2021 $M	2022 $M	**2023 $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 $M	2020 $M	2021 $M	2022 $'M	**2023 $'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%**

GLOSSARY – ALTERNATIVE PERFORMANCE MEASURES CONTINUED

Cash operating cost per tonne of finished product

	2019 $M	2020 $M	2021 $M	2022 $M	2023 $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 $M	2020 $M	2021 $M	2022 $'M	2023 $'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 $'M	2020 $'M	2021 $'M	2022 $'M	2023 $'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 $M	RESTATED $M	RESTATED $M	2022 $'M	2023 $'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
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.
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

GLOSSARY – TERMS CONTINUED

TERM	DESCRIPTION
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, the Mine or Site	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	$26.6 million mine closure guarantee facility between the Group and Absa Bank Moçambique SA effective from 1 July 2023.
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 dated 4 March 2024 between the Lenders and KMML Mozambique Branch and KMPL Mozambique Branch.

TERM	DESCRIPTION
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%.
TSF	Tailings Storage Facility
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.

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