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Agenda

Introduction
Michael Carvill, Managing Director

Financial review
Tony McCluskey, Finance Director

Operational review
Ben Baxter, Chief Operations Officer

Market update
Michael Carvill, Managing Director

Outlook
Michael Carvill, Managing Director

Q&A
COVID-19

Safety and well-being of our employees and our host communities are Kenmare’s highest priorities

No material impact to date
- Currently no confirmed cases of COVID-19 in Mozambique
- Impact on employees and supplies has been manageable
- Ilmenite market remains strong – no negative impact on customer demand or pricing to date

Protecting our employees and host communities
- Safety and well-being of our employees and our host communities are Kenmare’s highest priorities
- Strict procedures have been implemented for access to the Mine
- Upgraded health protocols are in place on site, including campaigns to raise awareness of how to mitigate risks
- Treatment protocols initiated on site in the case of suspected cases of COVID-19
- Restrictions on travel for all employees

Contractors, supply chain and other stakeholders
- Working closely with contractors to ensure staff well-being and business continuity
- Evaluating the impact of the virus on Kenmare’s development projects, supply chain and customers
- Focused on securing access to critical spares
Kenmare: Investment case

Kenmare’s three strategic pillars

**GROWTH**
- Final development project on track for completion in Q3 2020 to deliver a 35% production increase
- From 2021 Kenmare will be producing 1.2 Mtpa of ilmenite (plus associated co-products)

**MARGIN EXPANSION**
- Increased production and lower unit costs will increase EBITDA margins from 36% in 2019
- Kenmare is targeting a first quartile position on the industry revenue to cost curve from 2021

**SHAREHOLDER RETURNS**
- Dividend policy of a minimum 20% profit after tax
- With higher cash flows and lower development capital requirements, Kenmare will have the opportunity to make increased shareholder returns

>35%
>36%
>20%
2019 overview

Sustained financial and operational performance

- Shipments (Mt)
  - 2015: 0.9
  - 2016: 1.02
  - 2017: 1.04
  - 2018: 1.07
  - 2019: 1.03

- Sales price (FOB) (US$/t)
  - 2015: 178
  - 2016: 133
  - 2017: 196
  - 2018: 229
  - 2019: 248

- Revenue (US$m)
  - 2015: 143
  - 2016: 141
  - 2017: 208
  - 2018: 262
  - 2019: 271

- EBITDA (US$m)
  - 2015: -11.5
  - 2016: 5.2
  - 2017: 60.5
  - 2018: 93.3
  - 2019: 92.6

Other financial highlights

- Maiden dividend
  - USc8.18 per share
  - 2019 full year dividend

- New debt facilities
  - US$150 million
  - New corporate facilities secured to provide enhanced financial flexibility

Growth projects advanced

- WCP C development
  - February 2020
  - First HMC production from WCP C

- WCP B move
  - Q3 2020
  - Project execution for WCP B move to Pilivili advancing on schedule

1. Including interim dividend of USc2.66 per share paid in 2019 and final dividend of USc5.52, subject to shareholder approval
Financial review
Tony McCluskey, Finance Director
### Sustained financial performance

**Full year 2019 dividend of USc8.18 per share declared**

<table>
<thead>
<tr>
<th>Category</th>
<th>2019</th>
<th>Change</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>US$270.9m</td>
<td>+3%</td>
<td>US$262.2m</td>
</tr>
<tr>
<td><strong>Sales price (FOB)</strong></td>
<td>US$248/t</td>
<td>+8%</td>
<td>US$229/t</td>
</tr>
<tr>
<td><strong>Total cash costs</strong></td>
<td>US$158/t</td>
<td>+9%</td>
<td>US$145/t</td>
</tr>
<tr>
<td><strong>Net ilmenite unit cost</strong></td>
<td>US$81/t</td>
<td>+3%</td>
<td>US$79/t</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>US$92.6m</td>
<td>-1%</td>
<td>US$93.3m</td>
</tr>
<tr>
<td><strong>Profit after tax</strong></td>
<td>US$44.8m</td>
<td>-12%</td>
<td>US$50.9m</td>
</tr>
<tr>
<td><strong>Net cash</strong></td>
<td>US$13.7m</td>
<td>+US$0.2m</td>
<td>US$13.5m</td>
</tr>
<tr>
<td><strong>FY dividend per share</strong></td>
<td>USc8.18</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Well-positioned to fund 2020 development programme**

1. Interim dividend USc2.66/share paid plus final dividend USc5.52/share proposed, subject to shareholder approval
2. Weighted average sales price per tonne of product sold
3. Free on Board
4. Total cash cost per tonne of finished product
5. Net cash is cash less gross debt and interest outstanding at year end

Kenmare Resources – 2019 Results Presentation
Increased average sales price

2019 product price and shipping (FOB) review

Mixed pricing in 2019
- 8% increase in average sales price (FOB) to US$248/t in 2019 (2018: US$229/t)
  - 7% increase ilmenite prices vs 2018
  - 5% decrease primary zircon prices vs 2018
  - Improved revenue mix includes concentrates
- Tight ilmenite market conditions continuing in Q1 2020, while zircon market remaining softer

Shipping volumes maintained
- 4% decrease in total sales volumes to 1.03 Mt in 2019 (2018: 1.07 Mt)
  - 6% decrease in ilmenite sales volumes – 150kt of inventory held at year end
  - 9% increase in primary zircon sales volumes, minimal inventory held at year end
- Shipments in first 9 months of 2019 were impacted by poor weather conditions and maintenance work on conveyor whilst Q4 2019 was a record quarter (352,900t)

1. Free On Board (FOB) – received prices excluding shipping costs
2. Primary zircon includes a blend of Standard and Special Grade

Kenmare Resources – 2019 Results Presentation
### 2019 Income Statement review

<table>
<thead>
<tr>
<th></th>
<th>2019 US$ million</th>
<th>2018 US$ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>270.9</td>
<td>262.2</td>
</tr>
<tr>
<td>Freight costs</td>
<td>(15.4)</td>
<td>(16.3)</td>
</tr>
<tr>
<td>Revenue (FOB)</td>
<td>255.5</td>
<td>245.9</td>
</tr>
<tr>
<td>Cost of sales &amp; other</td>
<td>(211.7)</td>
<td>(199.3)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>59.2</td>
<td>62.9</td>
</tr>
<tr>
<td>Net finance costs</td>
<td>(7.4)</td>
<td>(6.9)</td>
</tr>
<tr>
<td>Foreign exchange (loss)/gain</td>
<td>(1.9)</td>
<td>0.1</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>50.0</td>
<td>56.1</td>
</tr>
<tr>
<td>Tax (expense)</td>
<td>(5.2)</td>
<td>(5.2)</td>
</tr>
<tr>
<td>Profit after tax</td>
<td>44.8</td>
<td>50.9</td>
</tr>
<tr>
<td>EBITDA</td>
<td>92.6</td>
<td>93.3</td>
</tr>
</tbody>
</table>

### Revenue by product (%)

<table>
<thead>
<tr>
<th>Product</th>
<th>Revenue by product (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ilmenite</td>
<td>68%</td>
</tr>
<tr>
<td>Primary zircon</td>
<td>22%</td>
</tr>
<tr>
<td>Concentrates</td>
<td>7%</td>
</tr>
<tr>
<td>Rutile</td>
<td>3%</td>
</tr>
<tr>
<td>Concentrates</td>
<td>7%</td>
</tr>
</tbody>
</table>

**Key Points:***

- 3% increase in revenues due to higher average sales prices, offset by lower sales volumes
- 6% increase in cost of sales and other operating costs, primarily due to higher production costs and depreciation charge, offset by lower sales volumes
- 12% decrease in profit after tax due to increased net finance costs, FX losses and depreciation

*Well-positioned to generate significantly stronger EBITDA from 2021*
Net ilmenite unit costs largely in line with 2018

### 2019 cash operating costs reconciliation

<table>
<thead>
<tr>
<th></th>
<th>Unit</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of sales US$m</td>
<td></td>
<td>178.4</td>
<td>168.3</td>
</tr>
<tr>
<td>Other operating costs excluding freight US$m</td>
<td></td>
<td>17.9</td>
<td>14.7</td>
</tr>
<tr>
<td>Total costs less freight US$m</td>
<td></td>
<td>196.3</td>
<td>183.0</td>
</tr>
<tr>
<td>Depreciation US$m</td>
<td></td>
<td>(33.4)</td>
<td>(30.4)</td>
</tr>
<tr>
<td>Share-based payments US$m</td>
<td></td>
<td>(1.8)</td>
<td>(1.4)</td>
</tr>
<tr>
<td>Product stock movements US$m</td>
<td></td>
<td>(4.5)</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Adjusted cash operating costs US$m</td>
<td>+4%</td>
<td>156.6</td>
<td>151.3</td>
</tr>
<tr>
<td>Finished product production tonnes</td>
<td>-5%</td>
<td>988,300</td>
<td>1,043,300</td>
</tr>
<tr>
<td>Total cash operating cost per tonne US$</td>
<td>9%</td>
<td>158</td>
<td>145</td>
</tr>
<tr>
<td>Total cash operating costs less co-products revenue (FOB) US$m</td>
<td></td>
<td>72.1</td>
<td>76.2</td>
</tr>
<tr>
<td>Ilmenite production tonnes</td>
<td></td>
<td>892,900</td>
<td>958,500</td>
</tr>
<tr>
<td>Total cash cost per tonne of ilmenite US$</td>
<td>+3%</td>
<td>81</td>
<td>79</td>
</tr>
</tbody>
</table>

- Decrease in product stock movements due to sales from inventory (159kt at year-end 2019 compared to 200kt at year-end 2018)
- 4% increase in adjusted cash operating costs, due primarily to:
  - Additional demurrage costs in the period as a result of adverse weather and unscheduled maintenance work
  - Adjustment to consumable spares stock
- 9% increase in cash operating cost per tonne driven by lower production volumes
- Net ilmenite unit cost in 2019 largely in line with 2018 due to increased co-product revenue contributions

- Analysis reconciles Income Statement to cash operating cost to run business
- Total cost per tonne of finished product is an all in cost including all company G&A
- Other operating costs include distribution, demurrage and administration costs
1. Total cash operating costs include all mine production, transhipment, sales and distribution, taxes, royalties, and corporate costs.

- Targeting total cash operating cost per tonne of US$125-135/t (in 2020 real terms) from 2021, benefitting from higher production volumes spread over a largely fixed cost base
- Total cash operating costs in 2020 are anticipated to increase marginally compared to 2019, primarily as a result of the addition of WCP C
- Cash operating cost per tonne guidance of US$162-182/t in 2020, reflecting lower forecast annual production volumes

1. Total cash operating costs include all mine production, transhipment, sales and distribution, taxes, royalties, and corporate costs.
Sustained robust cash flow from operations

Increased operating cash flow generation expected from 2021

Operating cash flow per share

2015 2016 2017 2018 2019
-62p/share 4p/share 43p/share 65p/share 65p/share

Operating cash flow (£/share)
## Strong and flexible balance sheet

### Balance sheet review

<table>
<thead>
<tr>
<th></th>
<th>31-Dec-2019 US$ million</th>
<th>31-Dec-2018 US$ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant &amp; equipment</td>
<td>852.0</td>
<td>806.0</td>
</tr>
<tr>
<td>Inventories</td>
<td>51.8</td>
<td>53.9</td>
</tr>
<tr>
<td>Trade &amp; other receivables</td>
<td>41.2</td>
<td>22.4</td>
</tr>
<tr>
<td>Deferred tax asset</td>
<td>0.5</td>
<td>-</td>
</tr>
<tr>
<td>Cash</td>
<td>81.2</td>
<td>97.0</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>1,026.7</strong></td>
<td><strong>979.3</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>31-Dec-2019 US$ million</th>
<th>31-Dec-2018 US$ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity &amp; reserves</td>
<td>891.8</td>
<td>848.4</td>
</tr>
<tr>
<td>Bank loans</td>
<td>60.9</td>
<td>83.5</td>
</tr>
<tr>
<td>Leases</td>
<td>4.5</td>
<td>-</td>
</tr>
<tr>
<td>Creditors &amp; provisions</td>
<td>69.5</td>
<td>47.4</td>
</tr>
<tr>
<td><strong>Total equity &amp; liabilities</strong></td>
<td><strong>1,026.7</strong></td>
<td><strong>979.3</strong></td>
</tr>
</tbody>
</table>

- PPE additions of US$68.5m (2018: US$40.1m) include development capex of US$44.3m, primarily relating to WCP C (US$26.8m) and preparation for the WCP B move (US$16.1m), and sustaining capex of US$23.7m.
- Inventories include US$26.5m final product (2018: US$31.0m), reduction due to product sales exceeding production in 2019.
- Record Q4 2019 shipments, increasing trade receivables vs 2018.
- Bank loans reflect US$67.3m drawdown less transaction costs\(^1\) of US$6.6m, plus loan interest amortised of US$0.2m. Principal of US$19.0m repaid in 2019.
- Leases recognised on the balance sheet (IFRS 16) from 1 January 2019.
- Trade payables increased in 2019 primarily due to development project costs.

---

1. Transaction costs will be amortised over life of loans (IFRS 9)
New debt facilities

Initial disbursement of US$67.3m made on 18 December 2019

New facilities agreed in December 2019

- New facilities provided by a syndicate of existing and new lenders with strong experience in mining and southern Africa
- Proceeds of the initial drawdown were to repay in full existing project loans of US$64m and to pay certain transaction costs
- Post year-end, 22% of the debt facilities were transferred to Mozambican affiliates of the lending banks

Additional financial flexibility

- New facilities extend debt maturity profile beyond current short period of increased capital expenditure
- Significant period of availability - term loan is available for 24 months and RCF is available for 35 months after signing
- Provide increased liquidity and protection in the case of any events that may affect cash flows, such as falls in product prices

Favourable interest rates

- Term loan interest rate: 5.40% + LIBOR
- Revolving credit facility interest rate: 5.00% + LIBOR

Term Loan

US$110m

Revolving Credit Facility

US$40m

Sources and uses of capital (US$m)

- Term Loan Sources
  - US$255m
    - US$91m
    - US$83m
    - US$81m

- Revolving Credit Facility Sources
  - US$120m
    - US$22m

- Term Loan Uses
  - US$142m
- Revolving Credit Facility Uses
  - US$22m

1. 2019 operational cash flow used as a proxy for potential 2020 operational cash flow
Dividend policy in action

Maiden interim dividend paid in October 2019 and balancing final dividend expected to be paid in May 2020

Dividend policy delivery

- Dividend policy is to pay a minimum of 20% of profit after tax, giving a total full year 2019 dividend distribution of US$9.0m
- Maiden interim dividend paid in October 2019
- Final dividend of US$6.1m will be a balancing payment to meet the dividend policy, post-2020 AGM

Subject to:

- Market conditions, debt and capital requirements
- Higher cash balances likely to be maintained until capital development projects completed

Expected higher capital returns from 2021

- Following completion of development projects
- May come in form of special dividend or share buy-backs

2019 profit after tax

<table>
<thead>
<tr>
<th>2019 profit after tax</th>
<th>Total dividend distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>US$44.8m</td>
<td>US$9.0m</td>
</tr>
</tbody>
</table>

Final dividend per share (post-2020 AGM)

<table>
<thead>
<tr>
<th>Final dividend per share (post-2020 AGM)</th>
<th>Full year 2019 dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td>USc5.52</td>
<td>USc8.18</td>
</tr>
</tbody>
</table>

Dividend Timetable 2019-20

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interim Dividend Payment Date</td>
<td>25 October 2019</td>
</tr>
<tr>
<td>Ex-Dividend Date</td>
<td>16 April 2020</td>
</tr>
<tr>
<td>Record Date</td>
<td>17 April 2020</td>
</tr>
<tr>
<td>AGM date for shareholder approval</td>
<td>13 May 2020</td>
</tr>
<tr>
<td>Payment Date</td>
<td>19 May 2020</td>
</tr>
</tbody>
</table>

1. 2019 interim dividend is calculated as 20% of 2019 profit after tax (US$21.9m) multiplied by one-third and annualised (US$21.9m x 20% x 1/3 x 2)
Operational review
Ben Baxter, Chief Operations Officer
Focused on responsible business practices

Our guiding principles: We Care, We Grow, We Excel

Health and Safety
- LTIFR of 0.27 per 200k man-hours worked to 31 Dec 2019
- Five star rating achieved from NOSA safety audit in Q4 2019 for fourth consecutive year
- 30% reduction in malaria cases amongst employees in 2019 compared to the average of the last 4 years

Environment
- 200 Ha of land rehabilitated in 2019, representing a 26% increase compared to 2018
- Majority of Moma’s power supplied from hydropower, transmitted through the national power grid

People
- 96% of 1,420 employees were Mozambican at the end of 2019, including 91% of supervisory personnel
- Focus moves towards skills and development, whilst maintaining diversity of workforce

Sustainability Committee established in Q3 2019
- Committee visited the Moma Mine in January 2020

Continuous commitment to safety

30% reduction in malaria cases
Optimisation of operations progressing well

Record excavated ore and recoveries

- 8% increase in excavated ore tonnes to 36.8Mt in 2019 compared to 2018, setting a new annual record
  - 5% increase in throughputs to 4,822 tonnes per hour in 2019 compared to 2018, driven by 20% capacity increase at WCP B and WCP B dredge automation
  - Projecto Oitenta continued in 2019 and as a result, overall mine utilisation increased to 72% in 2019

- 14% increase in overall zircon recoveries (including secondary zircon and mineral sands concentrate)
  - Mineral sands concentrate product introduced
    - US$4m capital cost - delivered on time and below budget
    - Realised payback period of <1 year
    - 3% zircon recovery contribution
  - Reprocessing of stockpiled tailings contributed to 8% increase in zircon and 1% increase in ilmenite recovery; future years will normalise to above 2018 levels

Increased excavated ore mitigating lower grades (Mt)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tons</td>
<td>30.0Mt</td>
<td>33.5Mt</td>
<td>34.0Mt</td>
<td>36.8Mt</td>
</tr>
</tbody>
</table>

Record zircon recoveries (%)

- 14% increase in overall zircon recoveries (including secondary zircon and mineral sands concentrate)
  - Mineral sands concentrate product introduced
    - US$4m capital cost - delivered on time and below budget
    - Realised payback period of <1 year
    - 3% zircon recovery contribution
  - Reprocessing of stockpiled tailings contributed to 8% increase in zircon and 1% increase in ilmenite recovery; future years will normalise to above 2018 levels
2019 production update

Operational performance maintained as growth projects advanced

HMC production

1,202,100t
-12%
FY 2018: 1,370,800t

Ilmenite

892,900t
-7%
FY 2018: 958,500t

Primary zircon

46,900t
-3%
FY 2018: 48,400t

Rutile

8,300t
1%
FY 2018: 8,200t

Concentrates

40,200t
43%
FY 2018: 28,200t

Shipments

1,029,300t
-4%
FY 2018: 1,074,400t

HMC production impacted by anticipated lower grades

➢ Ilmenite production was within 1% of original 2019 guidance range and original guidance was achieved for all other products

➢ Co-product recoveries at highest ever levels, mitigating HMC shortfall

Significantly stronger concentrates production

➢ 43% increase in concentrates production benefitting from new mineral sands concentrate product and higher secondary zircon production

New quarterly record for shipments

➢ Q4 2019 was a record quarter for shipments (352,900t), representing a 23% increase compared to Q4 2018 and an 83% increase compared to Q3 2019

➢ 4% decrease in shipments in 2019 compared to 2018 due to poor weather conditions in first 3 quarters impacting loading rates
Pathway to 1.2 Mtpa ilmenite production

Development projects progressing well

2018

WCP B upgrade

20% capacity upgrade of WCP B complete and delivering to scope

Cost: <US$10m

2019

WCP C development

First HMC production delivered from WCP C in February 2020

Cost: US$45m

2020

WCP B move

Project execution commenced to move WCP B to Pilivili in Q3 2020

Cost: US$106m
WCP C development: Production commenced

First HMC production delivered in February 2020

High grade ore zone

- WCP C is mining a high grade area of the Namalope ore zone that is inaccessible to the larger WCPs
- Forecasted average grade of 4.69% THM during first 5 years
- At a mining capacity of 500 tph, WCP C is expected to add 150kt/annum (average) of additional heavy mineral concentrate production to Moma’s profile
- Located close to the MSP - minimises operating costs by leveraging existing fixed cost base and infrastructure
- Compelling economics – NPV_{10%} of US$96m and IRR of 48%

In production

- Ramp up to 500 tph progressing well
- Project is expected to be completed within US$45m budget

1. Using flat product prices over WCP C’s 20 year life of mine of US$200/t ilmenite and US$1,300/t zircon. Project economics reflect incremental revenues and costs, and returns are supported by use of existing infrastructure
WCP B move: Project execution on track

Relocation scheduled to take up to 12 weeks

Accessing higher grade ore
- Highest grade ore zone in Moma's portfolio – Mineral Reserves of 180Mt (2018: 220Mt) at 4.4% THM, delivering an 8 year mine life
- Other favourable characteristics such as free flowing sand, low slimes and relatively close to MSP
- WCP B expected to mine contiguous ore zones of Mualadi and Nataka after Pilivili
- Transportation by road is lowest risk relocation option and move will be undertaken by a specialist contractor in Q3 2020

Project update
- WCP B mine path at Pilivili changed as a result of ESHIA process
- WCP B grade and mine life unaffected as WCP C is now expected to move directly to Mualadi from Namalope
- Key contracts in place and performing to schedule
- Project on schedule and on budget, including construction of haul road
- Potential impacts of COVID-19 being evaluated
Focused on delivery

On track to deliver 1.2 Mtpa ilmenite production from 2021 with expanded margins

Growth

- WCP B capacity upgrade completed within budget
- WCP C commenced production in February 2020
- Project execution of WCP B move on track

Margin expansion

- Mineral sands concentrate product stream monetising former tailings stockpiles
- Operational optimisation initiatives delivering results
- Cash operating costs per tonne expected to decrease to US$125-135/t (in 2020 real terms) from 2021

Moma’s mine plan extends beyond 2040 at expanded production levels

- On track to deliver 1.2 Mtpa ilmenite production from 2021 with expanded margins
Global TiO₂ feedstock inventories are low

Forecast supply/demand market balance

Strong fundamentals for TiO₂ feedstocks
- Legacy inventories now depleted and high-quality ilmenite is undersupplied
- Supply from existing mines expected to decline further
- New projects are facing significant hurdles to development
- Significant new pigment capacity expected to ramp up in 2020 leading to increased demand for ilmenite

Source: Company
Chinese supply deficit

Reduced availability of imported titanium ores and strong demand from pigment producers

Chinese titanium ore imports¹

Supply constraints impacting Chinese ilmenite market
- Ongoing supply limitations in India and Vietnam and reduced production from depleting mines
- High quality ilmenite inventories depleted leading to price increases
- Increased Chinese imports in Q4, largely due to higher Kenmare and concentrate shipments
  - Not expected to be sustained at this level
- Increased domestic ilmenite production unable to balance market deficit

Demand increasing as pigment production increases
- New chloride and sulphate pigment capacity commissioned in 2019 and expected to ramp-up in 2020

Pigment production strong in China (000’s tonnes)²

1. Source: Company data, FerroAlloyNet, Bloomberg data
2. Toodudu data

Kenmare Resources – 2019 Results Presentation
Positive long-term outlook for all products

2019 markets update and 2020 outlook

Ilmenite
- Kenmare achieved higher average selling prices sequentially in Q2, Q3 and Q4
- Strong market momentum has continued in Q1 2020

Zircon
- Zircon demand in 2019 was hampered by downstream inventories, thrifting and geopolitical factors
- Slower market conditions have continued into early 2020, with a challenging short-term outlook – moderate softening experienced since COVID-19 outbreak
- Long-term fundamentals remain strong as new projects struggle to secure financing

Impact of COVID-19 to date
- No material changes experienced to ilmenite customer demand or pricing to date
- Long-term impact of COVID-19 remains unclear, but downstream industries could be heavily impacted (e.g. automobiles, construction)
Outlook

Michael Carvill, Managing Director
Becoming a first quartile margin producer

Kenmare is well-positioned to deliver strong free cash flow

Industry revenue to cash cost curves

- Kenmare is on track to become a first quartile margin producer from 2021
- This is expected to deliver increased cash flow stability
- Ability to remain cash flow positive throughout the commodity price cycle

Source: TZMI
Strong free cash flow expected from 2021

Development capital expenditure profile (US$m)

Minimal development capital expected 2021-2023

- Third of three development projects expected to be completed in Q4 2020
- Annual sustaining capital between 2021 and 2023 of US$20-25m
- Due to targeted production of 1.2 Mtpa of ilmenite and expected cash operating costs per tonne of US$125-135/t (in 2020 real terms), operating cash flow is expected to increase significantly (2019: US$90.6m)
- With limited development capital expected from 2021 to 2023, Kenmare expects to generate strong free cash flow, enabling increased shareholder returns
### Conclusion: Building on our strategy

<table>
<thead>
<tr>
<th>Strategy</th>
<th>2019 Focus</th>
<th>2020 Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Growth: targeting 1.2 Mtpa ilmenite production from 2021, representing a 35% increase compared to 2019</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Low capital intensity growth to fully utilise existing installed facilities</td>
<td>- WCP B delivering 20% increase in throughput following upgrade works</td>
<td>- First HMC production delivered from WCP C in February 2020</td>
</tr>
<tr>
<td></td>
<td>- DFS for WCP B move to Pilivili completed in June 2019 and Board approval received</td>
<td>- WCP B move expected to take place in Q3 2020</td>
</tr>
<tr>
<td><strong>Margin expansion: 1.2Mtpa production is expected to deliver increased EBITDA margins (2019: 36%)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Focus on margin expansion through cost reductions and/or increased revenue streams</td>
<td>- First mineral sands concentrate despatched from Moma in Q2 2019</td>
<td>- Continued utilisation improvements targeted due to Projecto Oitenta</td>
</tr>
<tr>
<td></td>
<td>- WCP B dredge automation commissioned</td>
<td>- WCP A dredge automation in commissioning</td>
</tr>
<tr>
<td><strong>Shareholder returns: From 2021 free cash flow is expected to strengthen, enabling increased shareholder returns</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Returns &gt;20% profit after tax to shareholders and balance sheet strength and flexibility remain core</td>
<td>- Net cash position of US$13.7m at 31 December 2019</td>
<td>- Balancing 2019 final dividend of USc5.52 per share based on full-year results</td>
</tr>
<tr>
<td></td>
<td>- Maiden interim dividend paid</td>
<td></td>
</tr>
</tbody>
</table>
Appendices
Mineral sands: essential to modern life

Two core product streams of minerals sands

Titanium feedstocks (ilmenite and rutile)
- TiO₂ pigment imparts whiteness and opacity in the manufacture of paints, plastics and paper
- Non-recyclable and difficult to substitute

Zircon
- An important raw material for the ceramics industry for wall tiles, floor tiles and sanitary ware
- Favoured for whiteness, opacity, high melting point and shock resistance

Emerging market zircon & pigment demand growing rapidly
- Pigment is “quality of life” product, consumption grows as income levels increase
- Significantly higher TiO₂ pigment consumption per capita in developed western economies
- Large population developing economies are set for strongest pigment & zircon demand growth

Demand for TiO₂ feedstocks and zircon is driven by global GDP growth and urbanisation in emerging markets
Strong EBITDA in 2019 driven by increased average sales price

- EBITDA in 2019 in line with 2018
- Lower sales volume impact on earnings offset by an increase in average sales price and positive movement in sales mix, primarily driven by primary zircon sales
- Decreased stock mainly relates to inventory drawdowns for ilmenite and primary zircon over the course of 2019

Strong EBITDA in 2019 driven by increased average sales price
2019 capital spend (property, plant & equipment), primarily relates to growth development projects.

Working capital changes primarily as a result of increase in trade receivables, due to the timing of shipments.

Strong operating cashflow supported investment in growth projects.
Total cash operating costs largely in line with 2018

4% increase due primarily to:

- 14% increase in repairs and maintenance costs driven by one-off activities due to breakdowns
- Other costs - additional demurrage costs incurred in the period, unscheduled maintenance work and an adjustment to consumable spares stock
- Fuel - diesel prices have increased by 14% 2019 vs 2018

These cost increases were partially offset by:

- Labour - average staff numbers have increased by 5% compared to 2018 but this is offset by lower costs due to the localisation of the staff and the depreciation of the Mozambican Metical, reducing local labour costs
- Logistics and travel - reduced ex-pat headcount together with relocation of the Mine finance team to Maputo
## 2020 guidance

**Provided on 9 January 2020**

<table>
<thead>
<tr>
<th>Production</th>
<th>2020 Guidance</th>
<th>2019 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ilmenite</td>
<td>tonnes 800,000-900,000</td>
<td>892,900</td>
</tr>
<tr>
<td>Primary zircon</td>
<td>tonnes 44,500-50,100</td>
<td>46,900</td>
</tr>
<tr>
<td>Rutile</td>
<td>tonnes 7,700-8,700</td>
<td>8,300</td>
</tr>
<tr>
<td>Concentrates(^1)</td>
<td>tonnes 34,700-39,000</td>
<td>40,200</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Costs</th>
<th>US$ m</th>
<th>US$/tonne</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total cash operating costs</td>
<td>153-172</td>
<td>157</td>
</tr>
<tr>
<td>Cash costs per tonne of finished product</td>
<td>162-182</td>
<td>158</td>
</tr>
</tbody>
</table>

- Production of all finished products in 2020 is expected to be lower than in 2019 due primarily to anticipated lower grades at WCP A and WCP B.
- Production is expected to be weakest in Q3 and strongest in Q4 2020 due to the relocation of WCP B.
- WCP B is expected to cease production for up to 12 weeks during its relocation to Pilivili, however production will benefit from the operation of WCP C.
- Shipment volumes are expected to be higher than production volumes in 2020 but lower than in 2019.
- Total cash operating costs in 2020 are anticipated to increase marginally, primarily as a result of the addition of WCP C.
- Development capital costs are expected to be US$119.5m and sustaining capital costs are expected to be US$22m.

\(^1\) Concentrates includes secondary zircon and mineral sands concentrate.
KMAD: 2019 Highlights

Focused on leaving a positive and sustainable legacy

- >40 small businesses supported by KMAD by year-end 2019
- New ambulance provided to community health centre
- Construction of a primary school in Cabula village
- Second phase of technical school for vocational development constructed
- Nurses sponsored to undertake a 2-year mother and child healthcare course
- Mozambican NGO engaged to improve primary education in the district
Kenmare has gone social

- Kenmare has profiles on Facebook, Twitter and LinkedIn, which feature regular updates on our corporate social responsibility initiatives, operational and development milestones, news flow and more
- Click the name of the social network to visit our profiles and connect with Kenmare: Facebook, Twitter and LinkedIn