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

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

15 August 2023

Half-Yearly Financial Report for the six months to 30 June 2023 and interim dividend

Kenmare Resources plc (LSE:KMR, ISE:KMR), one of the leading global producers of titanium minerals and zircon, which operates the Moma Titanium Minerals Mine (the "Mine" or "Moma") in northern Mozambique, today publishes its Half-Yearly Financial Report for the six month period ended 30 June 2023 (“H1 2023”) and announces its interim dividend for 2023.

Statement from Michael Carvill, Managing Director:

“Production in early H2 2023 has been strong, supported by higher grades, better HMC recoveries and increased tonnes mined. Production in H1 2023 was unfortunately lower than our expectations, primarily due to a severe lightning strike in Q1 and its lingering impact.

However, good product pricing and strong shipment volumes in H1 drove record revenues. EBITDA was up 6%, while profit after tax increased to $67.8 million. We are increasing our interim dividend by 59% to USc17.5 per share, in line with our policy to maintain dividend payments of approximately $50 million per annum.

Separately, this morning we have also announced a share buyback of $30 million via a tender offer, in line with our policy of returning additional capital to shareholders when appropriate.”

H1 2023 overview

Financials and markets

- Launch of a Tender Offer, announced separately
- Interim dividend of USc17.5 per share, a 59% increase (H1 2022: USc10.98 per share)
- Revenue from mineral products of $229.7 million in H1 2023, a 26% increase compared to H1 2022 ($182.1 million), due to a 31% increase in shipment volumes supported by the drawdown of finished product stockpiles offsetting a 4% decrease in average realised prices
- EBITDA of $110.4 million, a 6% increase (H1 2022: $104.5 million)
- Profit after tax of $67.8 million, an 8% increase (H1 2022: $62.5 million)
- Cash operating cost of $230 per tonne of finished product, a 24% increase compared to H1 2022 ($185 per tonne), due to lower production volumes and cost inflation
- Cash operating cost of $137 per tonne of ilmenite (net of co-products), a 28% increase compared to H1 2022 ($107 per tonne)
- At the end of H1 2023, net cash increased to $42.3 million (31 December 2022: $25.7 million), supported by a drawdown of finished products and strong revenues
- Ilmenite prices were stable in H1 2023, although the titanium pigment market is slower in H2 2023
- Global macroeconomic conditions are also affecting demand for zircon with spot prices moving below contracted prices

Operations

- Lost Time Injury Frequency Rate ("LTIFR") of 0.18 per 200,000 hours worked for the 12 months to 30 June 2023 (30 June 2022: 0.00)
- Heavy Mineral Concentrate ("HMC") production of 633,900 tonnes in H1 2023, a 14% decrease compared to H1 2022 (738,300 tonnes), due primarily to the impacts of a severe lightning strike and lower grades
- Total finished product production of 472,600 tonnes, a 10% decrease (H1 2022: 550,700 tonnes), as a result of the lower HMC produced
- Total shipments of 556,800 tonnes, a 31% increase (H1 2022: 424,300 tonnes) supported by the drawdown of finished product stockpiles

Additional information in relation to Alternative Performance Measures ("APMs") is disclosed in the Glossary.

Analyst and investor conference call and webcast

Kenmare will host a conference call and webcast for analysts, institutional investors, and media today at 9:00am UK time. Participant dial-in numbers for the conference call are as follows:

UK:	+44 20 3481 4247
Ireland:	+353 1 582 2023
US	+1 (646) 307 1963
Conference ID	995 94 36

The webcast will be available at www.kenmareresources.com and playback of the webcast will be available at: www.kenmareresources.com/investors/reports-and-presentations.

Private investor webinar

There will also be a separate webinar for private investors on Thursday, 17 August 2023, at 12:00pm UK time. To access the webinar, please register in advance by clicking here.

The Half-Yearly Financial Report for the period ended 30 June 2023 is also available at www.kenmareresources.com/investors/reports-and-presentations.

For further information, please contact:

Kenmare Resources plc
Jeremy Dibb / Michael Starke
Investor Relations
Tel: +353 1 671 0411
Mob: + 353 87 943 0367

Murray (PR advisor)
Paul O'Kane
Tel: +353 1 498 0300
Mob: +353 86 037 4163

About Kenmare Resources

Kenmare Resources plc is one of the world's largest producers of mineral sands products. Listed on the London Stock Exchange and the Euronext Dublin, Kenmare operates the Moma Titanium Minerals Mine in Mozambique. Moma's production accounts for approximately 7% of global titanium feedstocks and the Group supplies to customers in more than 15 countries. Kenmare produces raw materials that are ultimately consumed in everyday quality-of life items such as paints, plastics and ceramic tiles.

All monetary amounts refer to United States dollars unless otherwise indicated.

Forward Looking Statements

This announcement contains some forward-looking statements that represent Kenmare's expectations for its business, based on current expectations about future events, which by their nature involve risks and uncertainties. Kenmare believes that its expectations and assumptions with respect to these forward-looking statements are reasonable. However, because they involve risk and uncertainty, which are in some cases beyond Kenmare's control, actual results or performance may differ materially from those expressed or implied by such forward-looking information.

INTERIM MANAGEMENT REPORT

Group results

Operational and financial results for H1 2023 were as follows:

	H1 2023	Restated H1 2022[1]	% Change
Production (tonnes)			
HMC produced	633,900	738,300	-14%
HMC processed	637,600	740,600	-14%
Finished products production			
Ilmenite	425,500	499,700	-15%
Primary zircon	23,000	26,500	-13%
Rutile	3,600	4,000	-10%
Concentrates[3]	20,500	20,500	-0%
Total finished products	472,600	550,700	-14%
Financials			
Revenue ($ million)	242.9	197.3	23%
Freight ($ million)	13.2	15.2	-13%
Mineral Products Revenue ($ million)	229.7	182.1	26%
Finished products shipped (tonnes)	556,800	424,300	31%
Average price received per tonne ($/t)	413	429	-4%
Total operating costs ($ million)[4]	162.6	123.3	32%
Total cash operating costs ($ million)[5]	108.8	102.0	7%
Cash operating cost per tonne of finished product ($/t)	230	185	24%
Cash operating cost per tonne of ilmenite (net of co-products) ($/t)	137	107	28%
EBITDA ($ million)[1]	110.4	104.5	6%
Profit before tax ($ million)	77.5	68.6	13%
Profit after tax ($ million)	67.8	62.5	8%

Notes

1. The results for H1 2022 have been restated in order to change the classification of freight costs, distribution costs and foreign exchange. This presentational change had no impact on underlying earnings. Further details are set out in Note 4 to the Financial Statements.
2. Additional information in relation to Alternative Performance Measures ("APMs") is disclosed in the Glossary.
3. Concentrates includes secondary zircon and mineral sands concentrate.
4. Total operating costs consists of cost of sales and administration costs as reported in the income statement. Included in operating costs are depreciation and amortisation.
5. Total cash costs consists of total operating costs less freight and non-cash costs, including inventory movements.

Operations

Kenmare's rolling 12-month LTIFR to 30 June 2023 was 0.18 per 200,000 hours worked (H12022: 0.0), with one Lost Time Injury recorded during Q2 2023. Kenmare is committed to continuing to build a strong, employee-led safety culture at Moma and is focused on improving safety leadership and ensuring best practices for identifying, assessing and mitigating risks are fully implemented.

HMC production was 633,900 tonnes in H1 2023, representing a 14% decrease compared to H1 2022 (738,300 tonnes). This was a product of a 4% decrease in ore grades to 4.19% (H1 2022: 4.35%) and a 6% decrease in excavated ore volumes to 18.4 million tonnes (H1 2022: 19.5 million tonnes).

HMC production in H1 was impacted by:

- Poor power quality as interruptions from the grid and unplanned maintenance by Electricidade de Moçambique reduced mining operating hours.

- Lower recoveries at WCP A due to high slimes levels. Recoveries have improved since June due to the introduction of supplementary clean water to the spirals to aid the efficiency of separation processes.
- WCP B was unable to operate in a fully automated mode in Q2 because of a shortage of spares following the lightning strike in Q1. This impacted recoveries from mining, as did lower-than-expected grades. WCP B is now operating on a fully automated basis. Mining rates and recoveries were also impacted by buried root matter; while these conditions are not expected to recur in 2023, screening improvements have been implemented and successfully addressed this issue.
- WCP C undertook a planned transition through a tailings area from March 2023 to reach a new mining zone: this took longer than expected but was completed in June.

Kenmare expects higher HMC production in H2 2023, benefitting from higher grades at WCP A, full production at WCP C and the resolution of the issues detailed above.

H1 2023 has seen a significant improvement in the performance of the positive displacement pumps used to transport HMC from WCP B to the Mineral Separation Plant ("MSP"), which have consistently run at design throughputs and utilisations. As a result, all transportation of HMC from WCP B to the Mineral Separation Plant ("MSP") is now being undertaken by pumping, eliminating the need for trucking of HMC and benefitting operating efficiencies and costs.

Ilmenite production was 425,500 tonnes, a 15% decrease compared to H1 2022 (499,700 tonnes), as a result of the 14% reduction in HMC processed.

The Mine has experienced an under-recovery of ilmenite in the HMC at WCP B. The higher-grade fraction of ilmenite in an area of Pilivili appears more weathered, reducing the apparent density and magnetism of the material, impacting recoveries to final product. Further test work and calibration of equipment is ongoing to maximise the recoveries of this high titanium grade ilmenite.

Primary zircon production was 23,000 tonnes in H1 2023, a 13% decrease compared to H1 2022 (26,500 tonnes). Despite higher zircon grades in feed, particularly from WCP B, zircon production was affected by lower HMC availability. There was also a build of non-magnetic intermediate stocks, reducing zircon production, which is expected to unwind in H2 2023.

The Rotary Uninterruptible Power Supply ("RUPS") was not operational in Q2, due to the failure of some of its electrical components. Design corrections have been implemented and the RUPS has resumed full operations.

Rutile production was 3,600 tonnes, down 10% (H1 2022: 4,000 tonnes). As with zircon, this reflects lower HMC processed, offset by increased rutile in feed.

Concentrates production was 20,500 tonnes, in line with H1 2022 (20,500 tonnes), with higher content of monazite. Higher recoveries were also achieved in the secondary zircon circuit.

Total shipments in H1 2023 were 556,800 tonnes, a 31% increase compared to H1 2022 (424,300 tonnes), benefitting from increased shipping capacity in the period and the drawdown of finished product stocks. Shipments comprised 517,100 tonnes of ilmenite, 19,800 tonnes of primary zircon, 3,400 tonnes of rutile, and 16,500 tonnes of concentrates.

Closing stock of HMC at the end of H1 2023 was 15,000 tonnes, compared to 18,800 tonnes at the end of 2022. Closing stock of finished products at the end of H1 2023 was 129,000 tonnes, compared to 213,500 tonnes at the end of 2022, reflecting a drawdown of finished product inventories to meet shipment requirements, satisfy customer demand and maintain strong operating cashflows in the period.

Capital projects

The transition of WCP A to Nataka is expected to commence in 2025. Over an 18-month period, WCP A will mine its way to the Nataka ore zone. Following this, WCP A will continue to mine in Nataka for the remainder of its economic life.

Capital expenditure for the transition of WCP A to Nataka is estimated at $247 million, including a $37 million contingency. This capital is expected to be phased over a three-year period from 2023 to 2025, with the majority of the expenditure incurred in 2024 and 2025. A significant proportion of the expenditure covers the cost of replacing WCP A's two existing dredges, the addition of a desliming circuit and the implementation of a Tailings Storage Facility. During 2026 and 2027, a further $23 million of capital expenditure will be required for additional pumping infrastructure along with up to $25 million on potential power infrastructure upgrades, the latter subject to ongoing studies.

Kenmare has also identified an opportunity to upgrade WCP B by redeploying one of the current dredges from WCP A and increasing the processing capacity of the wet concentrator plant from 2,400 tph to 3,400 tph. This provides sufficient HMC for constant production at 1.2 million tonnes per annum ilmenite as WCP A is transitioning to Nataka from 2025. Based on prefeasibility studies, the capital cost is estimated at $41 million, with a Definitive Feasibility Study underway.

The Company plans to fund capital expenditure requirements from existing resources and operating cash flows whilst maintaining conservative gearing levels. In addition, Kenmare is considering potential refinancing options to optimise its debt facilities in order to maintain financial flexibility.

Market update

Demand for Kenmare's products remained strong in H1 2023 with higher sales volumes compared with H1 2022. While ilmenite prices were broadly flat, slightly higher prices were achieved for zircon and rutile products compared with H1 2022. However, Kenmare's average price for all products decreased in H1 2023, compared to H1 2022, due to a higher proportion of ilmenite shipments.

Downstream titanium pigment demand was subdued in H1 2023, as higher interest rates globally affected industrial activity and the housing markets in many regions. Underlying demand in China has not rebounded as quickly as expected, but domestic pigment production remains robust. As a result, pigment producers outside China are facing increased competition from Chinese pigment exports. Lower global demand for titanium pigment is likely to continue in the short term; however, Kenmare has contracted a high proportion of Q3 2023 ilmenite sales.

Demand for ilmenite in China has benefitted from the sustained production of pigment, particularly given record chloride pigment production in H1 2023. However, outside China slower pigment market conditions reduced demand for high-grade feedstocks. While the feedstock market has been kept in balance by increasing concentrates production for processing in China, continued disruption to and depletion of supply means that underlying market fundamentals remain supportive.

Challenging macroeconomic conditions have softened demand for zircon. Ceramics producers are operating at reduced utilisation levels, leading to higher inventories. Reported zircon sand prices have remained stable in H1 2023, although spot prices for shipments to China and India softened in H1 2023 and remain below contracted prices moving into Q3 2023.

Financial review

In H1 2023, Kenmare delivered a strong financial performance, generating a 26% increase in mineral products revenue to $229.7 million (H1 2022: $182.1 million) and a 6% increase in EBITDA to $110.4 million (H1 2022: $104.5 million). Record first half revenues and profits were supported by stable markets for all finished products.

Kenmare's balance sheet strengthened during the period, with net cash increasing by $16.6 million to $42.3 million (31 December 2022: $25.7 million), after paying the $41.1 million 2022 final dividend. The Company is targeting a full year dividend of approximately $50 million for 2023, subject to prevailing product market and other conditions, and is pleased to announce a 2023 interim dividend of USc17.5 (H1 2022: USc10.98) per share. This represents a 59% increase compared to the 2022 interim dividend.

Revenue

Mineral products revenue increased by 26% in H1 2023 to $229.7 million (H1 2022: $182.1 million), driven by a 31% increase in volumes shipped offset by a decrease of 4% in the average received price to $413 per tonne (H1 2022: $429 per tonne).

Freight revenue in H1 2023 decreased to $13.2 million (H1 2022: $15.2 million), despite the higher volumes shipped reflecting a more favourable freight market in the period.

Ilmenite revenue increased by 34% to $179.2 million in H1 2023 (H1 2022: $133.5 million), as a result of a 35% increase in ilmenite shipment volumes. Average ilmenite pricing remained robust at $347 per tonne (H1 2022: $349 per tonne). Primary zircon revenue increased by 2% to $33.1 million (H1 2022: $32.5 million) due to a 5% price increase offset by a 3% decrease in volumes shipped.

Operating costs

Total operating costs in H1 2023 were $162.6 million, a 32% increase compared to H1 2022 ($123.3 million). Increased costs reflect higher staff, fuel and power costs. Included in total operating costs is $1.7 million in relation to property damage as a result of the lightning strike on the power transmission line at the Mine in February 2023.

Total cash operating costs were $108.8 million, a 7% increase compared to H1 2022 ($102.0 million). This was due primarily to the inflationary increases noted net of the drawdown of finished product inventory. Combined with a 10% decrease in production of finished products, this resulted in a 24% increase in cash operating costs per tonne of finished product to $230 in H1 2023 (H1 2022: $185 per tonne). Cash operating cost per tonne of ilmenite increased by 28% to $137 as a result of a 15% reduction in ilmenite production net of slightly higher co-product revenues.

Finance income and costs

Kenmare recognised finance income of $3.6 million in H1 2023 (H1 2022: $0.3 million), primarily consisting of interest on bank deposits. Finance costs were $6.3 million in H1 2023 (H1 2022: $5.7 million), including loan interest of $4.2 million (H1 2022: $4.4 million). The decrease in principal outstanding has been offset by higher interest rates in the period. Letter of credit and other fees were $0.8 million in the period (H1 2022: $0.6 million) and the unwinding of the mine closure provision amounted to $0.3 million (H1 2022: $0.4 million). Commitment fees under the debt facilities were $0.3 million (H1 2022: $0.2 million) and lease interest was $0.05 million (H1 2022: $0.1 million).

Tax

The tax charge for H1 2023 amounted to $9.7 million (H1 2022: $6.1 million). Kenmare's subsidiary, Kenmare Moma Mining (Mauritius) Limited, had taxable profits of $16.3 million (H1 2022: $16.1 million), resulting in an income tax charge of $5.6 million (H1 2022: $5.6 million). During the period Kenmare Resources plc had taxable profits of $58.6 million (H1 2022: $3.8 million) resulting in an income tax expense of $4.1 million (H1 2022: $0.5 million) being recognised. $60 million (H1 2022: $nil) of the taxable income relates to dividend income received from the subsidiary undertaking Kenmare Moma Mining (Mauritius) Limited with the balance relating to trading losses net of deposit income of $1.4 million (H1 2022: $3.8 million).

Cash flows

Net cash from operations in H1 2023 was $82.6 million (H1 2022: $68.6 million), reflecting higher profitability. Working capital outflow of $14.6 million (H1 2022: $29.5 million) reflects primarily increased trade receivables as a result of shipments during the period coupled with the fact that trade receivables were not discounted in the period.

Investing activities of $20.2 million (H1 2022: $24.2 million) represented additions to property, plant and equipment. $15.7 million of debt repayments were made (H1 2022: $55.7 million) and a final dividend for

2022 of $41.1 million (2021: $24.1 million) was paid in May 2023. Lease repayments of $0.08 million (H1 2022: $0.6 million) were also made in the period.

Consequently, Kenmare finished H1 2023 with $108.8 million of cash and cash equivalents, representing a slight increase of $0.5 million compared to year-end 2022 ($108.3 million).

Balance sheet

In H1 2023 there were additions to property, plant and equipment of $20.2 million (H1 2022: $24.2 million). Additions consisted of $7.4 million development expenditure mainly in relation to preparing for the relocation of WCP A to the Nataka ore zone and $12.8 million in relation to sustaining capital.

As stated above, depreciation of $30.2 million, was in line with the prior period (H1 2022: $30.5 million). The mine closure provision asset was increased by $0.8 million in H1 2023 (H1 2022: $13.5 million). This was due to a decrease in the discount rate used to estimate the closure cost provision from 4.0% to 3.85%.

The Group conducted an impairment review of property, plant and equipment at the period-end and the key assumptions of this review are set out in Note 8 of the financial statements. No impairment provision is required as a result of this review.

Inventory at period-end amounted to $73.3 million (31 December 2022: $84.2 million), consisting of intermediate and finished mineral products of $34.1 million (31 December 2022: $43.7 million) and consumables and spares of $39.3 million (31 December 2022: $40.5 million).

Trade and other receivables amounted to $141.1 million (31 December 2022: $124.0 million). This was comprised of $114.6 million (31 December 2022: $105.0 million) of trade receivables from the sale of mineral products, $20.1 million (31 December 2022: $14.5 million) of supplier prepayments and other miscellaneous debtors, and $6.4 million (31 December 2022: $4.5 million) of VAT receivable. Trade receivables are a function of shipments made before period-end and credit terms specific to the relevant customer. There have been no credit impairments during the period. The expected credit loss was reduced by $0.6 million (H1 2022: increased $0.2 million) during the period.

Cash and cash equivalents increased by $0.5 million in the period and at 30 June 2023 amounted to $108.8 million (31 December 2022: $108.3 million).

Lease liabilities amounted to $1.6 million (31 December 2022: $1.7 million) at period-end.

Tax liabilities amounted to $5.5 million (31 December 2022: $8.9 million) and trade and other payables amounted to $27.7 million at period-end (31 December 2022: $35.3 million).

Debt facilities

At period-end, reported debt amounted to $63.4 million (31 December 2022: $78.6 million). This consists of the Term Loan Facility of $62.9 million and accrued interest of $2.1 million, net of transaction costs of $1.5 million. The Group is in compliance with all debt covenants as at 30 June 2023. A semi-annual principal repayment ($15.7 million) under the Term Loan Facility was paid in March 2023. The RCF was repaid in full during 2022 and remains available to be redrawn by the Group until December 2023.

Kenmare's financial position, credit risk profile and operating performance have materially improved since the refinancing in December 2019. To reflect this, Kenmare is considering potential refinancing options to optimise its debt facilities.

Financial outlook

Kenmare's strategic priorities are to operate responsibly, deliver long-life, low-cost production, and to allocate capital efficiently, including developing accretive growth opportunities. The Group is focused on maintaining a robust and flexible balance sheet to enable it to deliver all these goals, particularly to fund its capital investment requirements and shareholder returns.

Kenmare will continue to manage its operating cost base in a conservative and sustainable manner, cognisant of inflationary pressures and other risks that face its business, in order to minimise unit costs.
While market demand remains slightly muted, we expect strong financial performance in H2, with cash flows continuing to support all expected expenditures and shareholder returns.

Interim dividend

Kenmare generated record first half profit after tax of $67.8 million in H1 2023 (H1 2022: $62.5 million). The Board has therefore approved an interim 2023 dividend of USc17.5 per share (H1 2022: USc10.98). The financial statements do not reflect this interim dividend.

The Company will pay the interim dividend on 13 October 2023 to shareholders of record at the close of business on 22 September 2023; shares purchased by the Company under the proposed Tender Offer announced today will thus not qualify for the interim dividend. Irish Dividend Withholding Tax (25%) must be deducted from dividends paid by the Company, unless a shareholder is entitled to an exemption and has submitted a properly completed exemption form to the Company's Registrar.

The dividend timetable is as follows:

Announcement of interim dividend	15 August 2023
Ex-Dividend Date	21 September 2023
Record Date	22 September 2023
Currency election cut-off date	26 September 2023 at 12:00 noon (IST)
Payment Date	13 October 2023

Principal risks and uncertainties

There are a number of potential risks and uncertainties that could have a material impact on Kenmare's performance over the remaining six months of the 2023 financial year and which could cause actual results to differ materially from expected and historic results.

These principal risks and uncertainties are disclosed in Kenmare's Annual Report for the year ended 31 December 2022. A detailed explanation of these principal risks and uncertainties and how Kenmare seeks to mitigate these risks, can be found on pages 70 to 79 of the 2022 Annual Report under the following headings: grant, maintenance renewal and extension of agreements and licences, country risk, geotechnical risk, severe weather events, uncertainty over and/or changes in physical characteristics of the orebody, power supply and transmission risk, asset damage or loss, health, safety and environment, mineral resource statement risk, IT security risk, development project risk, industry cyclicality, customer concentration, foreign currency risk and cost inflation.

The Group's climate risks disclosure is set out on pages 60 to 65 of the 2022 Annual Report. These have not changed in the first half of the year and outline the Group's objectives in relation to climate risk. We have continued with these objectives in H1 of 2023 and will provide an update in the 2023 Annual Report.

Related party transactions

There have been no material changes in the related party transactions affecting the financial position or the performance of the Group in the period since publication of the 2022 Annual Report other than those disclosed in Note 20 to the condensed consolidated financial statements.

Going concern

As stated in Note 1 to the condensed consolidated financial statements, based on the Group's forecasts and projections, the Directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed consolidated financial statements.

Events after the Statement of Financial Position Date

Share buy back

On 14 August 2023, the Board approved a Tender Offer. Details of the offer are set out in a separate announcement which the Company is making today.

Interim dividend

An interim dividend for the period ended 30 June 2023 of USc17.5 per share was approved by the Board on 14 August 2023. The dividend payable has not been included as a liability in these financial statements. The interim dividend is payable to all shareholders on the Register of Members on 22 September 2023.

There have been no other significant events since 30 June 2023 that would have a significant impact on the financial statements of the Group.

Forward-looking statements

This report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report, and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

On behalf of the Board,

Managing Director Michael Carvill	Financial Director Tom Hickey
14 August 2023	14 August 2023

Independent Review Report to Kenmare Resources plc ("the Entity")

Conclusion

We have been engaged by the Entity to review the Entity's condensed set of consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2023 which comprises the condensed consolidated interim income statement, the condensed consolidated interim statement of other comprehensive income, the condensed consolidated interim statement of financial position, the condensed consolidated interim statement of cash flows, the condensed consolidated interim statement of changes in equity, a summary of significant accounting policies and other explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2023 is not prepared, in all material respects in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") as adopted by the EU and the Transparency (Directive 2004/109/EC) Regulations 2007 ("Transparency Directive"), and the Central Bank (Investment Market Conduct) Rules 2019 ("Transparency Rules of the Central Bank of Ireland").

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity ("ISRE (Ireland) 2410") issued for use in Ireland. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We read the other information contained in the half-yearly financial report to identify material inconsistencies with the information in the condensed set of consolidated financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the review. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention that causes us to believe that the directors have inappropriately adopted the going concern basis of accounting, or that the directors have identified material uncertainties relating to going concern that have not been appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (Ireland) 2410. However, future events or conditions may cause the Entity to cease to continue as a going concern, and the above conclusions are not a guarantee that the Entity will continue in operation.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Transparency Directive and the Transparency Rules of the Central Bank of Ireland.

The Directors are responsible for preparing the condensed set of consolidated financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted by the EU.

As disclosed in Note 1, the annual financial statements of the Entity for the year ended 31 December 2022 are prepared in accordance with International Financial Reporting Standards as adopted by the EU.

In preparing the condensed set of consolidated financial statements, the Directors are responsible for assessing the Entity'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 the Directors either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Our responsibility

Our responsibility is to express to the Entity a conclusion on the condensed set of consolidated financial statements in the half-yearly financial report based on our review.

Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Entity in accordance with the terms of our engagement to assist the Entity in meeting the requirements of the Transparency Directive and the Transparency Rules of the Central Bank of Ireland. Our review has been undertaken so that we might state to the Entity those matters we are required to state to it in this 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 Entity for our review work, for this report, or for the conclusions we have reached.

Keith Watt
KPMG
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2

14 August 2023

Group condensed consolidated statement of comprehensive income
For the financial period ended 30 June 2023

	Notes	**Unaudited 6 Months 30 June 2023 $'000**	Restated* Unaudited 6 Months 30 June 2022 $'000
Revenue	2	**242,879**	197,294
Cost of sales	4	**(157,200)**	(117,854)
Gross profit		**85,679**	79,440
Administration Expenses	4	**(5,440)**	(5,421)
Operating profit		**80,239**	74,019
Finance income		**3,589**	324
Finance costs	5	**(6,324)**	(5,706)
Profit before tax		**77,504**	68,637
Income tax expense	6	**(9,727)**	(6,098)
Profit for the financial period and total comprehensive income for the financial period		**67,777**	62,539
Attributable to equity holders		**67,777**	62,539

		$ per share	$ per share
Profit per share: Basic	7	**0.71**	0.66
Profit per share: Diluted	7	**0.70**	0.65

*Refer to Note 4 for further details on the 2022 restatement.

The accompanying notes form part of these financial statements.

Group condensed consolidated statement of financial position

As at 30 June 2023

	Notes	**Unaudited 30 June 2023 $'000**	Audited 31 Dec 2022 $'000
Assets			
Non-current assets			
Property, plant and equipment	8	**921,749**	930,759
Right-of-use assets	9	**1,505**	1,608
		923,254	932,367
Current assets			
Inventories	10	**73,350**	84,171
Trade and other receivables	11	**141,127**	124,018
Cash and cash equivalents	12	**108,819**	108,271
		323,296	316,460
Total assets		**1,246,550**	1,248,827
Equity			
Capital and reserves attributable to the Company's equity holders			
Called-up share capital	13	**104**	104
Share premium		**545,950**	545,950
Other reserves		**230,600**	232,759
Retained earnings		**348,934**	324,721
Total equity		**1,125,588**	1,103,534
Liabilities			
Non-current liabilities			
Bank loans	14	**30,885**	46,180
Lease liabilities	9	**1,389**	1,540
Provisions	16	**21,909**	19,746
		54,183	67,466
Current liabilities			
Bank loans	14	**32,561**	32,398
Lease liabilities	9	**255**	245
Trade and other payables	15	**27,668**	35,293
Current tax liabilities	17	**5,483**	8,893
Provisions	16	**812**	998
		66,779	77,827
Total liabilities		**120,962**	145,293
Total equity and liabilities		**1,246,550**	1,248,827

The accompanying notes form part of these financial statements.

On behalf of the Board:

M. CARVILL
Director
14 August 2023

T. HICKEY
Director
14 August 2023

Group condensed consolidated statement of changes in equity
For the financial period ended 30 June 2023

	Called-Up Share Capital $'000	Share Premium $'000	Retained Earnings $'000	Other Reserves $'000	Total $'000
Unaudited					
Balance at 1 January 2023	104	545,950	324,721	232,759	1,103,534
Profit for the financial period	-	-	67,777	-	67,777
Transactions with owners of the Company					
Recognition of share-based payment expense	-	-	-	1,354	1,354
Exercise of share-based payments	-	-	(2,511)	(3,274)	(5,785)
Shares acquired by the Kenmare Employee Benefit Trust	-	-	-	(3,625)	(3,625)
Shares distributed by the Kenmare Employee Benefit Trust	-	-	-	3,386	3,386
Dividends paid	-	-	(41,053)	-	(41,053)
Balance at 30 June 2023	**104**	**545,950**	**348,934**	**230,600**	**1,125,588**
Unaudited					
Balance at 1 January 2022	104	545,950	154,050	4,261	930,643
Profit for the financial period	-	-	62,539	-	62,539
Transactions with owners of the Company					
Recognition of share-based payment expense	-	-	-	3,183	3,183
Exercise of share-based payments	-	-	-	(3,363)	(3,363)
Shares acquired by the Kenmare Employee Benefit Trust	-	-	-	(1,779)	(1,779)
Shares distributed by the Kenmare Employee Benefit Trust	-	-	-	1,779	1,779
Dividends	-	-	(24,129)	-	(24,129)
Balance at 30 June 2022	104	545,950	192,460	4,081	968,873

Group condensed consolidated statement of cash flows
For the financial period ended 30 June 2023

	Notes	**Unaudited 30 June 2023 $'000**	Restated* Unaudited 30 June 2022 $'000
Cash flows from operating activities			
Profit for the period after tax		67,777	62,539
Adjustment for:			
Foreign exchange movement		1,018	957
Share-based payments	19	1,354	3,183
Finance income	5	(3,589)	(324)
Movement in expected credit losses		(601)	199
Finance costs	5	6,324	5,706
Income tax expense	6	9,727	6,098
Depreciation	8/9	30,150	30,544
		112,160	108,902
Change in:			
Provisions	16	819	652
Inventories	10	10,822	(31,014)
Trade and other receivables	11	(16,151)	6,795
Trade and other payables	15	(7,968)	(4,347)
Exercise of share-based payment awards	19	(2,160)	(1,584)
Cash generated from operating activities		97,522	79,404
Income tax paid		(13,137)	(6,481)
Interest received		2,562	89
Interest paid	14	(3,646)	(3,491)
Factoring and other fees	5	(807)	(682)
Debt commitments fees paid	5	(294)	(222)
Net cash from operating activities		82,200	68,617
Investing activities			
Additions to property, plant and equipment	8	(20,212)	(24,201)
Net cash used in investing activities		(20,212)	(24,201)
Financing activities			
Dividends paid	13	(41,053)	(24,129)
Market purchase of equity under Kenmare Restricted Share Plan	19	(3,625)	(1,779)
Repayment of debt	14	(15,715)	(55,715)
Payment of lease liabilities	9	(85)	(562)
Net cash used in financing activities		(60,478)	(82,185)
Net increase/(decrease) in cash and cash equivalents		1,510	(37,769)
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		(962)	(591)
Cash and cash equivalents at the end of the period		108,819	30,697

*Refer to Note 4 for further details on the 2022 restatement.

Notes to the group condensed consolidated financial statements
For the financial period ended 30 June 2023

1. Basis of preparation and going concern

Basis of preparation

The annual financial statements of Kenmare Resources plc ('the Group') are prepared in accordance with IFRS as adopted by the European Union. The Group Condensed Consolidated Financial Statements for the six months ended 30 June 2023 have been prepared in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, as amended, the Transparency Rules of the Central Bank of Ireland, Disclosure and Transparency Rule 4.2 of the UK Financial Conduct Authority's Disclosure Guidance and Transparency Rules and IAS 34 'Interim Financial Reporting', as adopted by the European Union.

The financial information presented in this document does not constitute statutory financial statements. The amounts presented in the half-yearly financial statements for the six months ended 30 June 2023 and the corresponding amounts for the six months ended 30 June 2022 have been reviewed but not audited. The independent review report is on pages 11 and 12.

The financial information for the year ended 31 December 2022, presented herein, is an abbreviated version of the annual financial statements for the Group in respect of the year ended 31 December 2022. The Group's annual financial statements in respect of the year ended 31 December 2022 have been filed in the Companies Registration Office and the independent auditor issued an unqualified audit report thereon. The annual report is available on the Company's website at www.kenmareresources.com.

Use of Judgements and Estimates

The preparation of the half-yearly financial statements requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of certain assets, liabilities, revenues and expenses together with disclosure of assets and liabilities. Estimates and underlying assumptions relevant to these financial statements are the same as those described in the last annual financial statements.

Going Concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Group has or will have adequate resources to continue in operational existence for the foreseeable future. Based on the Group's cash flow forecast, liquidity and solvency position 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.

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. 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 1.2 million tonnes 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 2023, taking into account the current and future 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. Current operating costs and forecast capital costs take into account the current inflationary environment. The 2% inflation rate used 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 reductions in market prices, reductions in production, increases in operating costs and a combined case of the aforementioned factors. 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 next 12 months.

Changes in accounting policies

The accounting policies applied in the half-yearly financial statements are those set out in the annual financial statements for the year ended 31 December 2022.

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 period;

- 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 have a material effect on the Group's condensed consolidated financial statements.

2. Revenue

	Unaudited 30 June 2023 \$'000	Unaudited 30 June 2022 \$'000
Revenue derived from the sale of mineral products	**229,668**	182,072
Revenue derived from freight services	**13,211**	15,222
Total revenue	**242,879**	197,294

Revenue by product
The principal categories for disaggregating mineral products 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.

During the financial period, the Group sold 556,800 tonnes (H1 2022: 424,300 tonnes) of finished products at a sales value of \$229.7 million (H1 2022: \$182.1 million). The Group earned revenue derived from freight services of \$13.2 million (H1 2022: \$15.2 million).

	Unaudited 30 June 2023 \$'000	Unaudited 30 June 2022 \$'000
Revenue derived from sales of mineral products by primary product		
Ilmenite	**179,228**	133,452
Zircon	**33,080**	32,471
Concentrates	**12,214**	10,574
Rutile	**5,146**	5,575
Total revenue from mineral products	**229,668**	182,072
Revenue derived from freight services	**13,211**	15,222
Total	**242,879**	197,294

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. Thereafter, where total disclosed revenue disaggregated by country constitutes less than 75% of total Group revenue, additional disclosures are made until at least 75% of the Group's disaggregated revenue is disclosed. This treatment results in the amendment of comparatives.

2. Revenue (continued)

	Unaudited 30 June 2023 $'000	Unaudited 30 June 2022 $'000
Revenue from external customers		
China	**109,166**	59,830
Europe	**47,035**	56,801
Asia (excluding China)	**24,169**	29,384
Rest of the world	**49,298**	36,057
Total revenue from mineral products	**229,668**	182,072
Revenue derived from freight	**13,211**	15,222
Total revenue	**242,879**	197,294

All revenues are generated by the Moma Titanium Minerals Mine. Sales of the Group's mineral products are not seasonal in nature.

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.

	Corporate	**Unaudited 30 June 2023 Mozambique**	**Total**	**Corporate**	**Restated Unaudited 30 June 2022 Mozambique**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Revenue & Results						
Revenue*	**-**	**242,879**	**242,879**	-	197,294	197,294
Cost of sales	**-**	**(157,200)**	**(157,200)**	-	(117,854)	(117,854)
Gross profit	**-**	**85,679**	**85,679**	-	79,440	79,440
Administrative expenses	**(3,313)**	**(2,127)**	**(5,440)**	(5,237)	(184)	(5,421)
Segment operating profit/(loss)	**(3,313)**	**83,552**	**80,239**	(5,237)	79,256	74,019
Finance income	**1,814**	**1,775**	**3,589**	20	304	324
Finance expenses	**(9)**	**(6,315)**	**(6,324)**	(40)	(5,666)	(5,706)
Profit/(loss) before tax	**(1,508)**	**79,012**	**77,50**	(5,257)	73,894	68,637
Income tax expense	**(4,144)**	**(5,583)**	**(9,727)**	(470)	(5,628)	(6,098)
Profit/(loss) for the financial period	**(5,652)**	**73,429**	**67,777**	(5,727)	68,266	62,539
Segment Assets & Liabilities						
Segment Assets	**66,830**	**1,179,719**	**1,246,549**	10,534	1,116,027	1,126,561
Segment Liabilities	**(7,030)**	**(113,931)**	**(120,961)**	(8,908)	(136,386)	(145,294)
Additions to non-current assets						
Segment Additions to non-current assets	-	20,212	20,212	-	24,201	24,201

* Revenue excludes inter-segment revenue of $11.6 million earned by the corporate segment relating to marketing and management services fee income. Inter-segment revenue is not regularly reviewed by the Board.

Corporate assets consist of the Company's and other subsidiary undertakings' 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, lease and current tax liabilities at the reporting date. See Note 4 for further details on the 2022 restatement.

4. Cost and income analysis

	Unaudited 30 June 2023 $'000	Restated Unaudited 30 June 2022 $'000
Expenses by function		
Cost of sales	**157,200**	117,854
Administrative expenses	**5,440**	5,421
Total	**162,640**	123,275

Expenses by nature can be analysed as follows:

	Unaudited 30 June 2023 $'000	Restated Unaudited 30 June 2022 $'000
Expenses by nature		
Staff costs	**32,045**	28,239
Repairs and maintenance	**20,467**	21,958
Power and fuel	**23,985**	19,207
Freight	**13,211**	15,222
Distribution costs	**2,899**	2,874
Other production and operating costs	**27,656**	32,127
Property damage as result of lightning strike	**1,651**	-
Movement of mineral products inventory	**9,558**	(27,834)
Depreciation of property, plant and equipment and right-of-use assets	**30,150**	30,525
Foreign exchange loss	**1,018**	957
Total	**162,640**	123,275

Mineral products consist of finished products and heavy mineral concentrate as detailed in Note 10. Mineral stock movement in the period was a decrease of $9.6 million (H1 2022: $27.8 million increase). Distribution costs of $2.9 million (H1 2022: $2.9 million) represent the cost of running the Mine's finished product storage, jetty and marine fleet. Freight costs of $13.2 million (H1 2022: $15.2 million) arise from sales to customers on a Cost, Insurance and Freight (CIF) or Cost and Freight (CFR) basis. There were no exceptional items within operating profit in H1 2023 (H1 2022 restated: $nil). The H1 2022 income statement has been restated in order to reclassify freight costs and distribution costs from other operating costs to cost of sales. In addition, foreign exchange gains and losses have been reclassified to cost of sales and administrative costs and are no longer presented separately on the face of the income statement. Management believes these presentational changes more appropriately reflect the nature of each category of expense.

	As previously reported 30 June 2022	**Adjustment**	**As restated 30 June 2022**
	$'000	**$'000**	**$'000**
Revenue	197,294	-	197,294
Cost of sales	(95,236)	(22,618)	(117,854)
Other operating costs/Administrative expenses	(27,082)	21,661	(5,421)
Net Finance costs	(5,635)	253	(5,382)
Foreign exchange	(704)	704	-
Taxation	(6,098)	-	(6,098)
Profit for the financial year and total comprehensive income for the financial year	62,539	-	62,539

5 Net finance costs

	Unaudited 30 June 2023 $'000	Restated Unaudited 30 June 2022 $'000
Finance costs		
Interest on bank borrowings	**(4,229)**	(4,350)
Interest on lease liabilities	**(46)**	(77)
Factoring and other trade facility fees	**(807)**	(681)
Commitment and other fees	**(294)**	(222)
Unwinding of discount on mine closure provision	**(334)**	(376)
Foreign exchange loss	**(614)**	-
Total Finance Costs	**(6,324)**	(5,706)
Finance income		
Interest earned on bank deposits	**2,919**	89
Foreign exchange gain	**670**	235
Total Finance Income	**3,589**	324
Net finance costs recognised in profit or loss	**(2,735)**	(5,382)

All interest has been expensed in the financial period. The Group has classified factoring and other trade facility fees in net cashflows from operating activities in the Consolidated Statement of Cashflows. See Note 4 for further details on the 2022 restatement.

6. Income tax expense

	Unaudited 30 June 2023 $'000	Unaudited 30 June 2022 $'000
Corporation tax	**9,727**	6,098

During the period the KMML Mozambique Branch had taxable profits of $16.3 million (H1 2022: $16.1 million) resulting in an income tax expense of $5.6 million (H1 2022: $5.6 million) being recognised. The income tax rate applicable to taxable profits of KMML Mozambique Branch is 35% (H1 2022: 35%).

KMML 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 30 June 2023.

During the period Kenmare Resources plc had taxable profits of $58.6 million (H1 2022: $3.8 million) resulting in an income tax expense of $4.9 million (H1 2022: $0.5 million) being recognised. Tax adjustments of $0.8 million were recognised in relation to prior year estimates and returns and have the effect of reducing the charge in the period. $60 million (H1 2022: $nil) of the taxable income relates to dividend income received from the subsidiary undertaking Kenmare Moma Mining (Mauritius) Limited with the balance relating to trading losses net of deposit income of $1.4 million (H1 2022: $3.8 million).

7. Earnings per share

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

	Unaudited 30 June 2023 $'000	Unaudited 30 June 2022 $'000
Profit for the financial period attributable to equity holders of the Company	**67,777**	62,539

	2023 Number of shares	2022 Number of shares
Weighted average number of issued ordinary shares for the purpose of basic earnings per share	**94,829,551**	94,921,970
Effect of dilutive potential ordinary shares:		
Share awards	**2,479,902**	1,125,633
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**97,309,453**	96,047,603

	$ per share	$ per share
Earnings per share: basic	**0.71**	0.66
Earnings per share: diluted	**0.70**	0.65

8. Property, plant and equipment

	Plant & 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 period	-	-	20,212	-	20,212
Transfer from construction in progress	10,082	6,244	(16,444)	118	-
Disposals	-	-	-	(3,265)	(3,265)
Adjustment to mine closure cost	825	-	-	-	825
At 30 June 2023	1,046,511	266,295	54,541	74,243	1,441,590
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 period	20,396	3,833	-	5,818	30,047
Disposals	-	-	-	(3,265)	(3,265)
At 30 June 2023	324,714	151,701	-	43,426	519,841
Carrying Amount					
At 30 June 2023	**721,797**	**114,594**	**54,541**	**30,817**	**921,749**
At 31 December 2022	731,286	112,183	50,773	36,517	930,759

An adjustment to the mine closure cost of $0.8 million (2022: $20.1 million) was made during the period as a result of an update in the discount rate as detailed in Note 16.

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 30 June 2023, the market capitalisation of the Group was below the book value of net assets, which is considered an indicator of impairment of assets.

The Group carried out an impairment review of property, plant and equipment as at 30 June 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 period. No impairment was recognised in the prior financial year. Given the historic volatility in product pricing and sensitivities of the forecast to 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 13.0% (31 December 2022: 14.0%).

8. Property, plant and equipment (continued)

Key assumptions in the value in use calculation 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 comprising the cost of equity and cost of debt have changed from the year-end review, in particular the equity risk premium which has decreased, resulting in a discount rate of 13.0% (31 December 2022: 14.0%). 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 Kenmare's operations. Hence, country risk premium applicable to the calculation of the cost of equity has been adjusted accordingly. Using a discount rate of 13.0%, the recoverable amount is greater than the carrying amount by $346.0 million (31 December 2022: $86.9 million). The discount rate is a significant factor in determining the recoverable amount. A 4.0% increase in the discount rate to 17.0% reduces the recoverable amount by $346.0 million to $nil, assuming all other inputs remain unchanged. The increase in the recoverable amount from the year-end review is a result of increased cash flows over the life of mine as a result of updated forecast sales prices and a decrease in the discount rate from 14.0% to 13.0%.

- 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 year-end review. Average annual production is approximately 1.2 million tonnes (31 December 2022: 1.2 million tonnes) of ilmenite and co-products zircon, rutile and concentrates over the life of the Mine and remains unchanged from the year-end review. The 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 forecasted 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 year-end review as a result of revised forecast pricing. A 9% reduction in average sales prices over the life of mine reduces the recoverable amount by $346.0 million, assuming all other inputs remain unchanged.

- Operating costs are based on approved budget costs for 2023 taking into account the current running costs of the Mine and estimated inflation for 2023. From 2024 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 have decreased slightly from the year-end review. Increased costs associated with estimated future power consumption and price for the mining in Nataka have been included in the forecast cashflows in the period. A 17.5% increase in operating costs over the life of mine reduces the recoverable amount by $346.0 million, assuming all other inputs remain unchanged.

- Whilst the Group has set ambitions to be net zero by 2040, the financial impact is still being assessed as the Group considers how it will work towards meeting this target. As such, estimates and judgements within these financial statements do not consider the expenditure (or any related savings) associated with the Company's ambition to become net zero nor the financial impact of the climate risks disclosed within the Group's TCFD reporting as a reliable estimate cannot currently be made.

- Capital costs are based on a life of mine capital plan including inflation at 2% per annum from 2024. Average forecast capital costs have increased, and their scheduling changed from the year-end review based on updated capital plans required to maintain the existing plants over the life of mine. A 39%

8. Property, plant and equipment (continued)

increase in capital costs over the life of mine reduces the recoverable amount by $346.0 million, assuming all other inputs remain unchanged.

9. Right-of-use assets

	Plant & Equipment $'000	Other Assets $'000	Total $'000
Cost			
At 1 January 2023	3,319	2,590	5,909
Disposal	(3,319)	-	(3,319)
At 30 June 2023	-	2,590	2,590
Accumulated Depreciation			
At 1 January 2023	3,319	982	4,301
Disposal	(3,319)	-	(3,319)
Depreciation expense	-	103	103
At 30 June 2023	-	1,085	1,085
Carrying amount			
At 30 June 2023	-	**1,505**	**1,505**
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 for the remainder of this term. This lease obligation is denominated in Euros.

In December 2022, the lease in respect of the Group's Mozambican country office in Maputo was amended. The lease term was extended to 10 years commencing 1 December 2022. This lease obligation is denominated in US Dollars.

The weighted average rate applied to the leases is 8.4%.

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 30 June 2023 or 31 December 2022.

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

	Unaudited 30 June 2023 $'000	Audited 31 Dec 2022 $'000
Current	**255**	245
Non-Current	**1,389**	1,540
	1,644	1,785

10. Inventories

	Unaudited 30 June 2023 $'000	Audited 31 Dec 2022 $'000
Mineral products	**34,097**	43,655
Consumable spares	**39,253**	40,516
	73,350	84,171

At 30 June 2023, total final product stocks were 129,000 tonnes (31 December 2022: 213,500 tonnes). Closing stock of heavy mineral concentrate was 15,000 tonnes (31 December 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 period there was a write-down of $nil (31 December 2022: $nil) to mineral products to value them at net realisable value.

11. Trade and other receivables

	Unaudited 30 June 2023 $'000	Audited 31 Dec 2022 $'000
Trade receivables	**114,645**	104,970
VAT receivable	**6,395**	4,527
Prepayments	**20,087**	14,521
	141,127	124,018

12. Cash and cash equivalents

	Unaudited 30 June 2023 $'000	Audited 31 Dec 2022 $'000
Cash and cash equivalents	**108,819**	108,271

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

13. Share capital and dividends

Share capital as at 30 June 2023 amounted to $0.1 million (31 December 2022: $0.1 million).

In May 2023, the Company paid a final 2022 dividend of $41.1 million (2021 final dividend: $24.1 million) representing USc43.33 (2021 final dividend: (USc25.42) per share.

14. Bank loans

	Unaudited 30 June 2023 $'000	Audited 31 Dec 2022 $'000
Borrowings	**63,446**	78,578
The borrowings are repayable as follows:		
Less than one year	**33,564**	33,653
Between two and five years	**31,427**	47,142
	64,991	80,795
Transaction costs	**(1,545)**	(2,217)
Total carrying amount	**63,446**	78,578

Borrowings

On 11 December 2019, the Group entered into secured debt facilities ("Senior Facility Agreement") 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 provides 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 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 and the first repayment was made on 11 March 2022.

The Revolving Credit Facility has a maturity date of 11 December 2023, which is extendable by a further 12 months at the lenders' discretion. 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 $102.0 million as at 30 June 2023 (31 December 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.

During the period $15.7 million of the Term Loan Facility was repaid. At the period-end, reported debt amounted to $63.4 million (31 December 2022: $78.6 million). This consists of the Term Loan Facility of $62.9 million (31 December 2022: $78.9 million) and accrued loan interest of $2.1 million (31 December 2022: $1.9 million), net of transaction costs of $1.5 million (31 December 2022: $2.2 million).

14. Bank loans (continued)

Reconciliation of movements of debt to cashflows arising from financing activities	Unaudited 30 June 2023 $'000	Audited 31 Dec 2022 $'000
Bank Loans		
Balance at 1 January	**78,578**	148,099
Cash movements		
Loan interest paid	**(3,646)**	(6,921)
Principal repaid	**(15,715)**	(91,429)
Loan drawn down	**-**	20,000
Non-cash movements		
Loan interest accrued	**4,229**	8,829
Balance at 30 June/31 December	**63,446**	78,578

Financial Covenants

All financial covenants under the Senior Facilities Agreement have been complied with during the period. The key financial covenants as at 30 June 2023 are detailed below:

	As at 30 June 2023	As at 31 December 2022		Covenant
Interest Coverage Ratio	56.17:1	34.96:1	Not less than	4.00:1
Net Debt to EBITDA	(0.15):1	(0.09):1	Not greater than	2.00:1
Debt Service Coverage Ratio	6.71:1	3.11:1	Not less than	1.20:1
Liquidity (million)	$148.8	$148.3	Not less than	$15.0
Reserve Tail Ratio	81%	81%	Not less than	30%

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

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

15. Trade and other payables

	Unaudited 30 June 2023 $'000	Audited 31 Dec 2022 $'000
Trade payables	**8,269**	7,305
Deferred income	**456**	2,740
Accruals	**18,943**	25,248
	27,668	35,293

16. Provisions

	Unaudited 30 June 2023 $'000	Audited 31 Dec 2022 $'000
Mine closure provision	**17,781**	16,623
Mine rehabilitation provision	**4,940**	4,121
	22,721	20,744
Current	**812**	998
Non-current	**21,909**	19,746
	22,721	20,744

	Mine Closure Provision $'000	Mine Rehabilitation Provision $'000	Other Provisions $'000	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 period	-	(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	**824**	**1,275**	**-**	**2,099**
Provision utilised during the financial period	**-**	**(456)**	**-**	**(456)**
Unwinding of the discount	**334**	**-**	**-**	**334**
At 30 June 2023	**17,781**	**4,940**	**-**	**22,721**

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 $0.3 million (H1 2022: $0.4 million) has been recognised in the statement of comprehensive income for the financial period.

The main assumptions used in the calculation of the estimated future costs include:
- a discount rate of 3.85% (31 December 2022: 4.0%);
- an inflation rate of 2% (31 December 2022: 2%);
- an estimated life of mine of 40 years (31 December 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 $34.1 million (31 December 2022: $34.1 million) and an estimated post-closure monitoring provision of $3.9 million (31 December 2022: $3.9 million).

The life of mine plan is based on the Namalope, Nataka, Pilivili and Mualadi reserves and resources. Specific resource material is included only where there is a high degree of confidence in its economic extraction. The Mine closure provision has been increased by $0.8 million from 31 December 2022 to reflect a change in the discount rate from 4.0% at 31 December 2022 to 3.85% at 30 June 2023.

The discount rate is a significant factor in determining the Mine closure provision. The Group uses a Thirty-year US Treasury yield as this is the longest period for which yields are quoted. This discount rate is deemed to provide the best estimate of the current market assessment of risk-free time value of money. Risks specific to the liability are included in the cost estimate.

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 twelve months after

16. Provisions (continued)

the area has been disturbed. During the financial period there was a release of $0.5 million (H1 2022: $0.3 million) to reflect the actual mine rehabilitation costs incurred, and an addition to the provision of $1.3 million (H1 2022: $1.0 million) for areas newly disturbed.

17. Current tax liabilities

	Unaudited 30 June 2023 $'000	Audited 31 Dec 2022 $'000
Current tax liabilities	**5,483**	8,893

Further details on the Group's tax expense are detailed in Note 6.

18. Financial Instruments

	Unaudited 30 June 2023			Audited 31 Dec 2022		
	Carrying amount $'000	**Fair value $'000**		Carrying amount $'000	Fair value $'000	
Financial assets at fair value through profit and loss						
Trade receivables	**-**	**-**	**Level 2**	31,188	31,188	Level 2
Financial assets at fair value through OCI						
Trade receivables	**95,418**	**95,418**	**Level 2**	43,065	43,065	Level 2
Financial assets not measured at fair value						
Trade receivables	**19,227**	**19,227**	**Level 2**	30,717	30,717	Level 2
Cash and cash equivalents	**108,819**	**108,819**	**Level 2**	108,271	108,271	Level 2
	223,464	**223,464**		213,241	213,241	
Financial liabilities not measured at fair value						
Bank loans	**63,446**	**64,991**	**Level 2**	78,578	80,795	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. Trade receivables which are factored through the Absa Bank facility or letters of credit which are always confirmed and discounted through the Barclays Bank facility are initially measured at fair value and subsequently measured at fair value through profit or loss (FVTPL). 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). The Group derecognises the original 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. Trade receivables not measured at fair value are receivables whose payment is received under the sale contract credit terms.

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.

Credit risk

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.

18. Financial Instruments (continued)

Before entering into sales contracts with new customers, the Group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed regularly during the year.

The Group's customers have been transacting with the Group for a significant number of years, and no customer's balances have been written off or are credit impaired at the financial period 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.

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

	Unaudited 30 June 2023 $'000	Audited 31 Dec 2022 $'000
Opening balance	**1,534**	424
Net remeasurement of loss allowance	**(601)**	1,110
Closing	**933**	1,534

The increase in the loss allowance is mainly attributable to increases in industry specific externally published forward looking default rates which are used as the basis of estimating the Group's expected credit losses. The methodology for the calculation of expected credit losses is the same as described in the last annual statements.

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 were amended with effect from 11 March 2023. As a result of the amendment, interest rates for interest periods commencing from 11 March 2023 onwards are 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 six-month SOFR rate set on 11 March 2023 relating to the next interest period to 11 September 2023 was 5.4%. The credit adjustment spread of 0.4% plus the margin of 5.4% results in an interest rate of 11.2% on the Term Loan. The Group has concluded that the new basis for determining cashflows is economically equivalent to the previous basis.

19. Share-based payments

Kenmare Restricted Share Plan (KRSP)

During the financial period, 864,481 (H1 2022: 653,174) shares were granted to employees under the 2023 KRSP award. The estimated fair value of the shares awarded is $5.0 million (H1 2022: $3.7 million). These share awards vest, subject to continued employment on the third anniversary or, in the case of Executive Directors and certain other staff, subject to continued employment and to the Remuneration Committee's assessment against a discretionary underpin, on the third anniversary of grant.

During the financial period, the Group recognised a share-based payment expense of $1.4 million (H1 2022: $3.2 million).

During the period, awards in respect of 1,073,896 shares were exercised at a cost of $5.8 million.

20. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Apart from existing remuneration arrangements there were no material transactions or balances between the Group and its key management personnel or members of their close families during the period under review.

21. Events after the statement of financial position date

Share buy back

On 14 August 2023, the Board approved a Tender Offer. Details of the offer are set out in a separate announcement which the Company is making today. Shares bought back pursuant to the Tender Offer will not qualify for the interim dividend.

Interim dividend

An interim dividend for the period ended 30 June 2023 of USc17.5 (H1 2022: USc10.98) per share was approved by the Board on 14 August 2023. The dividend payable has not been included as a liability in these financial statements. The interim dividend is payable to all shareholders on the Register of Members on 22 September 2023.

There have been no other significant events since 30 June 2023 which would have a significant impact on the financial statements of the Group.

22. Information

The half-yearly financial report was approved by the Board on 14 August 2023.

Copies are available from the Company's registered office at 4th Floor, Styne House, Hatch Street Upper, Dublin 2, D02 DY27, Ireland.

The report is also available on the Company's website at www.kenmareresources.com.

STATEMENT OF DIRECTORS RESPONSIBILITIES
For the half year ended 30 June 2023

The Directors are responsible for preparing the half-yearly financial report in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007 ("Transparency Directive"), the Transparency Rules of the Central Bank of Ireland and Transparency Rule 4.2 of the Disclosure Guidance and Transparency Rules of the UK Financial Conduct Authority.

In preparing the condensed set of consolidated financial statements included within the half-yearly financial report, the Directors are required to:

- prepare and present the condensed set of consolidated financial statements in accordance with IAS 34 Interim Financial Reporting as adopted by the EU, the Transparency Directive and the Transparency Rules of the Central Bank of Ireland;
- ensure the condensed set of consolidated financial statements has adequate disclosures;
- select and apply appropriate accounting policies;
- make accounting estimates that are reasonable in the circumstances; and
- assess the Entity'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 the Directors either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for designing, implementing and maintaining such internal controls as they determine is necessary to enable the preparation of the condensed set of consolidated financial statements that is free from material misstatement whether due to fraud or error.

We confirm that to the best of our knowledge:

(1) the condensed set of consolidated financial statements included within the half-yearly financial report of Kenmare Resources plc for the six months ended 30 June 2023 ("the interim financial information") which comprises the condensed consolidated interim income statement, the condensed consolidated interim statement of other comprehensive income, the condensed consolidated interim statement of financial position, the condensed consolidated interim statement of cash flows, the condensed consolidated interim statement of changes in equity and the related explanatory notes, have been presented and prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU, the Transparency Directive and Transparency Rules of the Central Bank of Ireland.

(1) The interim financial information presented, as required by the Transparency Directive and Transparency Rule 4.2 of the Disclosure Guidance and Transparency Rules of the UK Financial Conduct Authority, includes:
    a. an indication of important events that have occurred during the first 6 months of the financial year, and their impact on the condensed set of consolidated financial statements;
    b. a description of the principal risks and uncertainties for the remaining 6 months of the financial year;
    c. related parties' transactions that have taken place in the first 6 months of the current financial year and that have materially affected the financial position or the performance of the enterprise during that period; and
    d. any changes in the related parties' transactions described in the last annual report that could have a material effect on the financial position or performance of the enterprise in the first 6 months of the current financial year.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Entity's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board:

M. CARVILL	**T. HICKEY**
Director 14 August 2023	**Director** 14 August 2023

Glossary - Alternative Performance Measures

Certain financial measures set out in the half-yearly financial report to 30 June 2023 are not defined under International Financial Reporting Standards (IFRSs), 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 IFRSs. 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 Products Revenue	Provides a group margin for the earnings and performance of the Group
Capital costs	Additions to property, plant and equipment in the period	Provides the amount spent by the Company on additions to property, plant and equipment in the period
Cash operating cost per tonne of finished product produced	Total costs less freight and other non-cash costs, including depreciation and inventory movements divided by final product production (tonnes)	Eliminates the non-cash impact on costs to identify the actual cash outlay for production and, as production levels increase or decrease, highlights operational performance by providing a comparable cash cost per tonne of product produced over time
Cash operating cost per tonne of ilmenite net of co-products	Cash operating costs less zircon, rutile and mineral sands concentrates revenue, 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 assets

EBITDA

	H1 2023	H1 2022	H1 2021	H1 2020	H1 2019
		Restated	Restated	Restated	Restated
	$m	$m	$m	$m	$m
Operating profit	**80.2**	74.0	56.8	20.6	25.6
Depreciation and amortisation	**30.2**	30.5	23.5	17.3	16.7
EBITDA	**110.4**	104.5	80.3	37.9	42.3

EBITDA margin

	H1 2023	H1 2022 Restated	H1 2021 Restated	H1 2020 Restated	H1 2019 Restated
	$m	$m	$m	$m	$m
EBITDA	**110.4**	104.5	80.3	37.9	42.3
Mineral Products Revenue	**229.7**	182.1	167.8	111.2	115.4
EBITDA margin (%)	**48%**	57%	48%	34%	37%

Cash operating cost per tonne of finished product

	H1 2023	H1 2022 Restated	H1 2021 Restated	H1 2020 Restated	H1 2019 Restated
	$m	$m	$m	$m	$m
Cost of sales	**157.2**	117.9	100.3	82.7	79.6
Administration costs	**5.4**	5.4	19.2	14.2	17.0
Total operating costs	**162.6**	123.3	119.5	96.9	96.6
Freight charges	**(13.2)**	(15.2)	(10.4)	(5.6)	(7.3)
Total operating costs less freight	**149.4**	108.1	109.1	91.3	89.3
Adjustments					
Depreciation and amortisation	**(30.2)**	(30.5)	(23.5)	(17.3)	(16.7)
Expected credit loss	**0.6**	(0.2)	-	-	-
Share-based payments	**(1.4)**	(3.2)	(2.1)	(1.0)	(0.9)
Mineral product inventory movements	**(9.6)**	27.8	3.8	2.2	5.2
Total cash operating costs	**108.8**	102.0	87.3	75.2	76.9
Final product production tonnes	**472,600**	550,700	612,100	410,600	505,200
Cash operating cost per tonne of finished product	**$230**	$185	$143	$183	$152

Cash operating cost per tonne of ilmenite

	H1 2023	H1 2022 Restated	H1 2021 Restated	H1 2020 Restated	H1 2019 Restated
	$m	$m	$m	$m	$m
Total cash operating costs	**108.8**	102.0	87.3	75.2	76.9
Less co-products zircon, rutile and mineral sands concentrate revenue	**(50.4)**	(48.6)	(24.0)	(31.3)	(41.2)
Total cash costs less co-product revenue	**58.4**	53.4	63.3	43.9	35.7
Ilmenite product production tonnes	**425,500**	499,700	559,000	368,900	458,200
Cash operating cost per tonne of ilmenite	**$137**	$107	$113	$119	$78

Net debt/cash

	H1 2023	H1 2022	H1 2021	H1 2020	H1 2019
	$m	$m	$m	$m	$m
Bank debt	**(63.4)**	(93.2)	(128.0)	(145.2)	(73.5)
Transaction costs	**(1.5)**	(3.0)	(4.7)	(6.1)	–
Gross debt	**(64.9)**	(96.2)	(132.7)	(151.3)	(73.5)
Lease liabilities	**(1.6)**	(1.7)	(2.8)	(3.9)	(5.0)
Cash and cash equivalents	**108.8**	30.7	56.5	98.6	77.0
Net (debt)/cash	**42.3**	(67.2)	(79.0)	(56.6)	(1.5)

ROCE

	H1 2023	H1 2022 Restated	H1 2021 Restated	H1 2020 Restated	H1 2019 Restated
	$m	$m	$m	$m	$m
Operating profit	**80.2**	74.0	58.8	19.9	26.1
Total Equity and Non-Current Liabilities	**1,180**	1,058	1,087	1,085	954
ROCE %	**7%**	7%	5%	2%	3%

Glossary – Terms

Term	Description
CIF	Shipment term under an agreement for the sale of final product to a customer, providing for the seller to deliver the goods on board the vessel in the port of shipment and to 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.
CFR	Shipment term under an agreement for the sale of final product to a customer, providing for the seller to deliver the goods on board the vessel in port of shipment and to 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.
The Company	Kenmare Resources plc
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.
KMML Mozambique Branch	Mozambique branch of Kenmare Moma Mining (Mauritius) Limited (KMML)
KMPL Mozambique Branch	Mozambique branch of Kenmare Moma Processing (Mauritius) Limited (KMPL)
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”).
Moma, Moma Mine or the Mine	The Moma Titanium Minerals Mine consisting of a heavy mineral sands, processing facilities and associated infrastructure, which mine is located in the north east coast of Mozambique under licence to the Project Companies.
MSP	Mineral Separation Plant
Mtpa	Million tonnes per annum
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 Definitive 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.
Project Companies	Kenmare Moma Mining (Mauritius) Limited and Kenmare Moma Processing (Mauritius) Limited, wholly owned subsidiary undertakings of Kenmare Resources plc, that are incorporated in Mauritius.
Revolving Credit Facility	$40 million revolving credit facility pursuant to the Senior Facilities Agreement dated 11 December 2019 between, amongst others, the Lenders and KMML Mozambique Branch and KMPL Mozambique Branch as borrowers.
Term Loan Facility	$110 million term loan facility pursuant to the Senior Facilities Agreement dated 11 December 2019 between, amongst others, the Lenders and KMML Mozambique Branch and KMPL Mozambique Branch.
TiO_2	Titanium dioxide is a titanium oxide with the formula TiO_2. A naturally occurring oxide sourced from ilmenite, rutile and anatase, it has a wide range of applications.
THM	Total heavy minerals in the ore of which ilmenite (typically 82%), rutile (typically 2.0%) and zircon (typically 5.5%) total approximately 90%.
tph	Tonnes per hour
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