

Kenmare Resources plc

Annual General Meeting | 28 May 2014

Michael Carvill – Managing Director

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Kenmare Resources – 2013/2014

Phase II Expansion Completed

Operations

- Mine production increasing
- Cost savings programme underway
- Solutions in place to address power transmission capacity and power stability to Moma Mine

Unprecedented challenging market conditions

Restructured project financing for Moma Mine

Kenmare well positioned to take full advantage when market turns



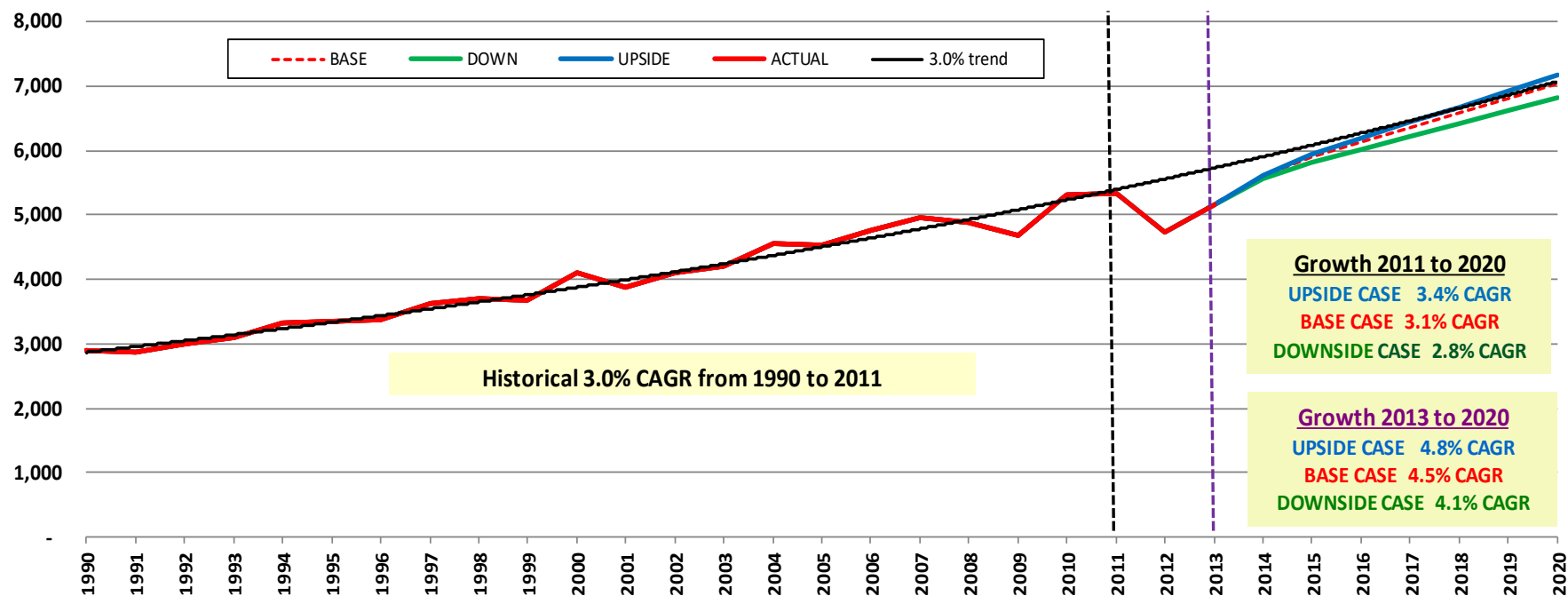
Kenmare Resources – Long Life, Low cost

- World leading titanium minerals producer
- Dredge mineable, direct export, low cost mine
- Life of mine over 100+ years
- 50% expansion completed and in production
- 8% of global titanium feedstock supply
- Projected above trendline pigment demand growth
- 2014 focus on increasing production and cost control



Future Pigment Demand Expected to Grow at Above Historical Growth Rate

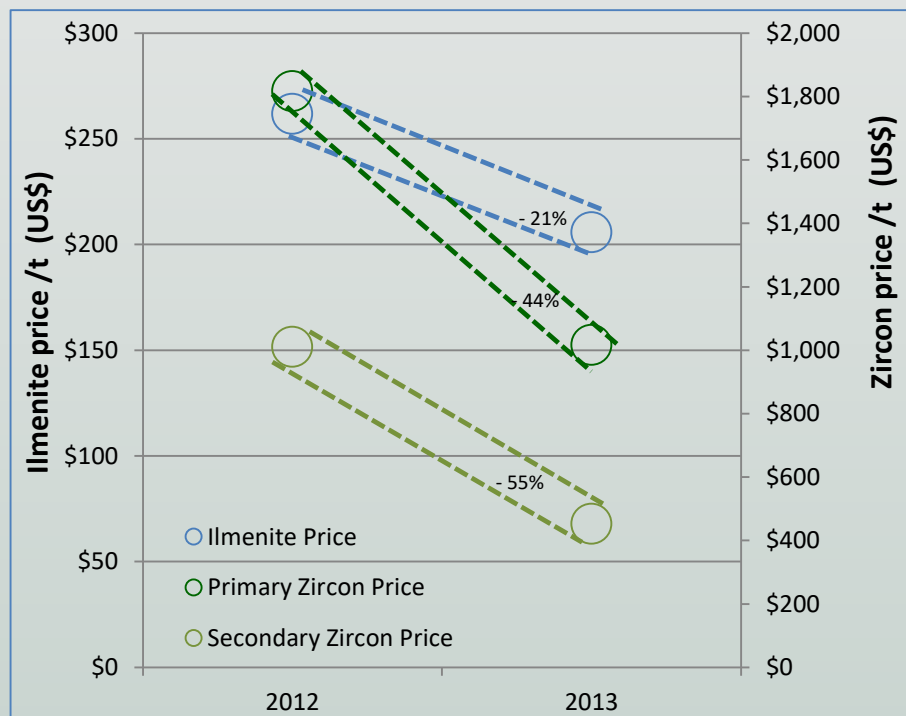
Global Pigment Demand 1990-2020 (^{'000 tonnes})



SOURCE: Kenmare estimate March 2014

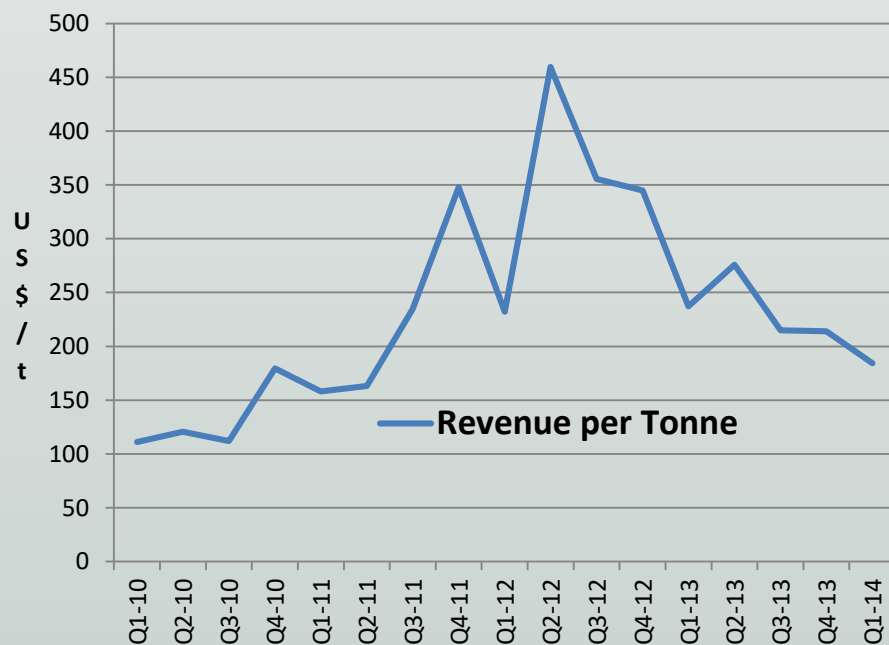
Based on correlation with World GDP at market exchange rates

Pricing Movement



Kenmare has increased cost focus in response to pricing and lowered unit cost of production from expanded facilities

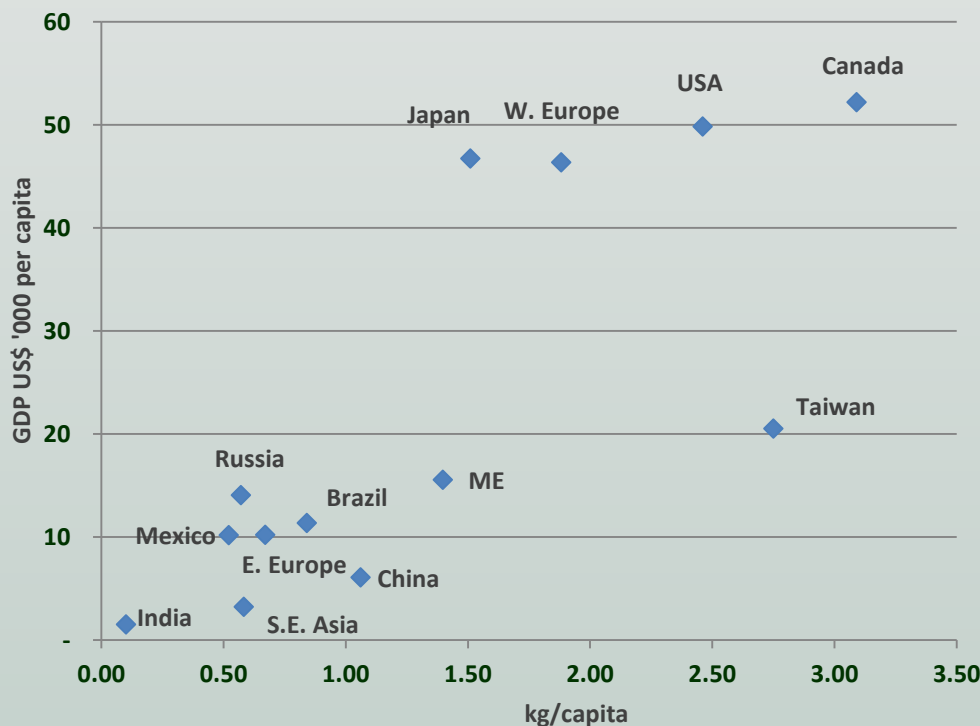
Total Product Revenue/t -v- Kenmare Share Price



Products pricing is closely linked to Kenmare share price performance

Pigment Demand Growth Drivers

Pigment Consumption Intensity of TiO₂ in 2012¹



- Demand growth drivers in developing economies:
 - Pigment intensity of use at early stage of growth curve
 - Increasing per capita GDP
 - Urbanisation trends
- Per capita consumption rates of 2kg to 3kg in developed economies
- Currently 1kg or below per capita in BRIC & other developing economies

¹ Source TZMI June 2013

Operational Developments

Phase II Expansion complete

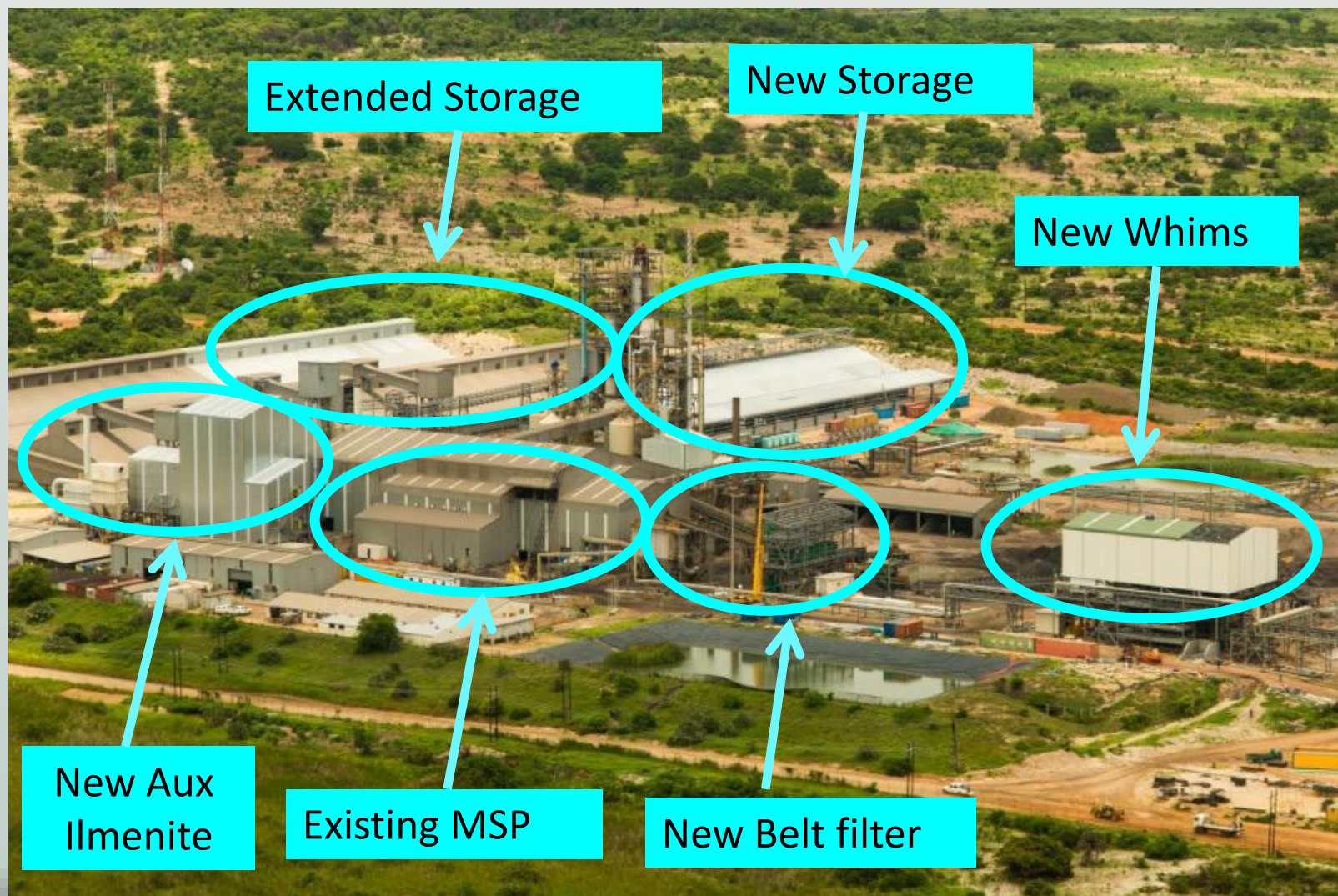
- 3rd Dredge operational
- WCP B operational
- Upgraded processing plant operational
- Extended product storage facility complete

Phase II Q1 2014

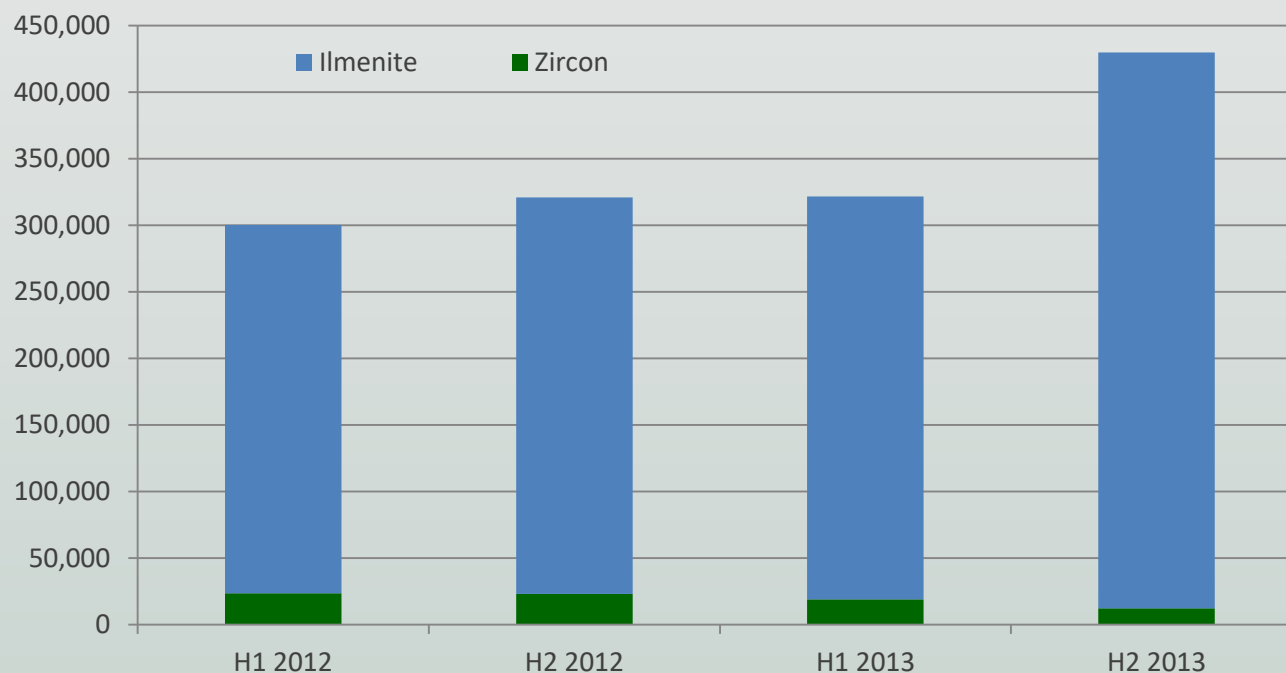
- Ilmenite production: 210.8kt (Q1 2013: 137.5kt)
- Zircon production
 - Primary zircon: 7.7kt (Q1 2013: 5.7kt)
 - Secondary zircon: 1.1kt (Q1 2013: 4.7kt)



Expanded Processing Complete



Production

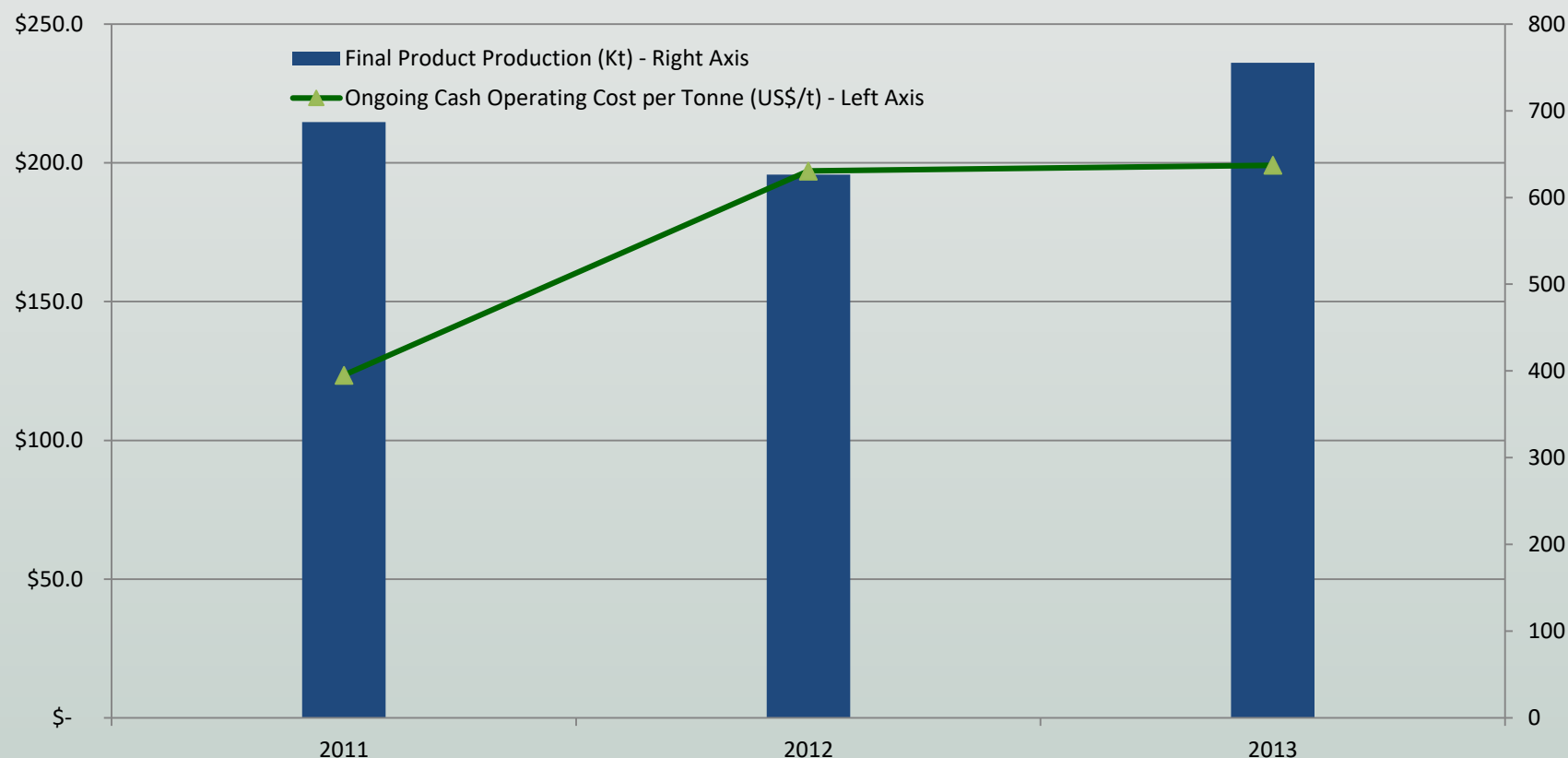


- Expansion ramp up started H2 2013, with HMC up 47% and total final products up 21% in 2013 on 2012 production

Latest Production update from IMS 24th Apr 2014:

- Q1 2014 HMC production up 51% on Q1 2013 HMC production
- Q1 2014 finished products production up 48% on Q1 2013 finished products production

2011 – 2013 Cash Operating Costs



- Cost per tonne peak in 2013, expected to drop in 2014 due to:
 - Increasing production
 - Focus driving cost efficiencies: Payroll; Procurement & Onsite contractors

Power Reliability

Solutions by Kenmare and Electricidade de Moçambique (EdM) to address transmission capacity and power stability to Moma Mine :

Horizon	Solution	Responsibility	Power	Status
Current	➤ Rent diesel-electric generating plant for MSP	Kenmare	7.5MW	Contracted for Delivery in Q3
	➤ Load management program to prevent peak time load rising above stability limit	EdM	118MW	Ongoing
Short Term	➤ Installation of series capacitors in northern network & Static VAR Compensator in Nampula	EdM	170MW	In progress
Long term	➤ Development of major project to build additional line to northern network	EdM	400kV	In progress

KMAD - Community Relations

2013 – 2015 Strategic Plan Agreed

Current Projects

- Health post started operating in March 2013 & ambulance allocated for community service
- Nataka school completed & 2 new schools under construction
- Water supply to the Natuco vegetable project finalised
- 2 new community projects started
- Water system set up in Topuito village
- Discussions & planning started with government on construction of vocational school



Kenmare Resources – Long Life, Low Cost

Moma – A low cost, long life asset

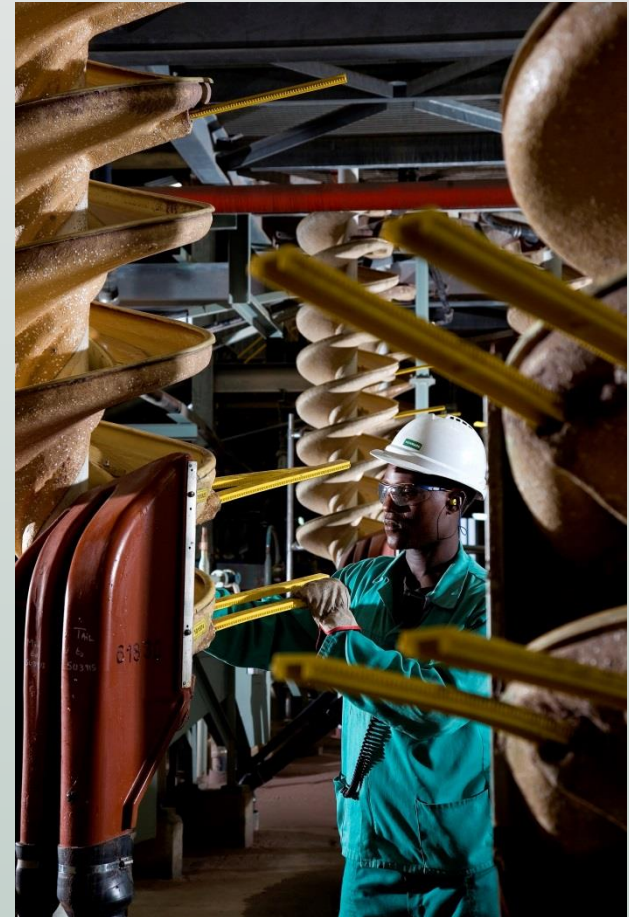
- World leading producer of titanium minerals
- 8% of global titanium feedstock supply
- Life of mine over 100+ years
- Low cost dredge-mineable mine with port facilities on site

Established producer

- US\$1bn+ invested into Moma Mine since operations began
- 50% expansion completed and in production
- Operationally cash flow positive since 2010

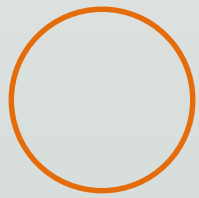
Mineral Sands – Exposure to global GDP growth

- Exposure to emerging market urbanisation and developed world GDP



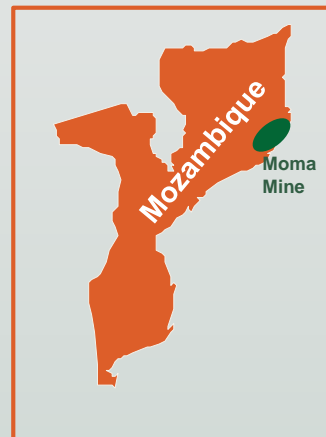


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Appendix

Mozambique Overview



Quick facts (2012)

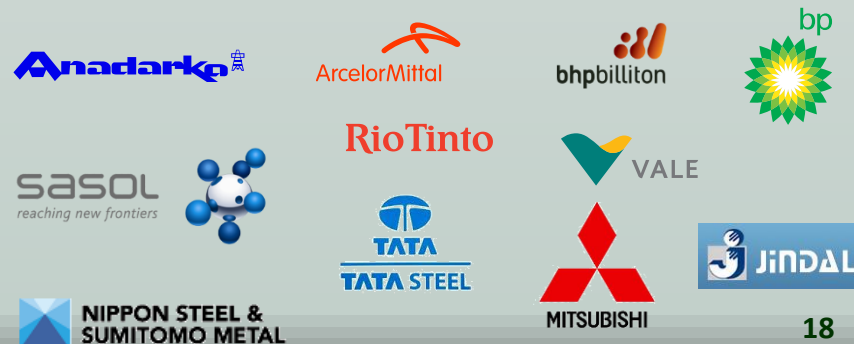
Capital	Maputo
Government type	Presidential Democratic Republic
Ratings	S&P (B+ / Stable) Fitch (B+ / Positive)
Nominal GDP	US\$14.6bn
Total Debt / GDP (2011)	32.1%
Net FDIs / GDP	10.0%
GDP Growth	7.4%
Population	25 million

Key highlights

- Stable political environment – supportive government with which Kenmare has a favorable fiscal arrangement
- Diversified economy with extensive agricultural and natural resources as well as hydroelectric potential and tourism sector
- Growth is underpinned by robust investment inflows in large projects in the mining sector
- Mozambique continues to encourage foreign investment through open-market policies

International natural resources companies operating in Mozambique

There are currently over 60 natural resources companies operating in Mozambique, with several international names having local operations:



Kenmare Resources at a Glance

Kenmare quick facts

Location of mine	Moma Mine, North-east Coast Mozambique
Products (market share) ⁽¹⁾	Titanium feedstock (approximately 8% global supply)
Mine life	One of the world's largest known titanium minerals deposits with 100+ years at expanded production levels
Equity listing	Primary: London Stock Exchange: Premium Listing Secondary: Irish Stock Exchange
Market capitalisation	c. US\$510m ⁽²⁾
In Mozambique since	1987
Operations commenced	2007
Number of employees	1,500
2013 Ilmenite Production	720,100 tonnes



- The Moma Mine produces titanium minerals ilmenite & rutile, used as feedstocks to produce titanium dioxide pigment & the relatively high-value zirconium silicate mineral, zircon
 - Titanium dioxide pigment has a high refractive index & brilliant white colour, which makes it an excellent reflective optical coating. It is used in paints, paper & plastic production
 - The primary applications for zircon are in the manufacture of opacifiers for ceramics & for refractory products used in the steel & foundry industries
- Currently ramping up completed expansion project, which is expected to increase production capacity by 50%
 - Phase I capacity: c. 800 ktpa ilmenite, 50 ktpa zircon, 14 ktpa rutile
 - Phase II capacity: c. 1.2 mtpa ilmenite, 75 ktpa zircon, 21 ktpa rutile
 - Moma Mine expected to produce ~8% of global titanium feedstock supply

(1) Expected market share in 2014 based on Kenmare's estimate.

(2) US\$ equivalent as at 23 May 2014

Operations Review

The Moma Mine

- Kenmare's expanded operating capacity is 1.2mtpa of ilmenite, plus co-products zircon & rutile
- Mining performed by three dredges floating in two artificial mining ponds
- These dredges slurry & pump mineralised sands from the mining face into two floating wet concentrator plants
- A heavy mineral concentrate is produced, which is pumped into a nearby minerals separation plant. It is then separated into final products for export via Kenmare's own product trans-shipment vessels
- These vessels are self-propelled, self-discharging & capable of carrying mineral from the jetty to the trans-shipment point, where product is loaded on to the customer's vessel



Operating Characteristics

- >3mt have been shipped to date
- Coastal location; no overland transport
- Surface mineralisation (no overburden)
- Principally low cost dredge mining
 - Wet mining plants are designed to produce a high grade of heavy mineral concentrate (distinct from more well known dry mining which use trucks, excavators, scrapers, or loaders to recover ore to a mining unit plant)
- Limited infrastructure requirements
 - The ability to mine & export directly from the Moma site using a dedicated shipping terminal contributes to placing Kenmare toward the bottom of the industry production cost curve
- Low cost hydro power supply
- Significant co-product revenue offers diversification of customers, & a higher product price portfolio
- Ilmenite products are suitable for both sulphate & chloride pigment markets direct without further beneficiation
- Substantial further mineral resources providing long mine life

Reserves & Resources

Reserves & resources table as at 31 December 2013

Ore Reserve Zone	Category	Ore (Mt)	% THM*	% Ilmenite in THM	% Ilmenite in ore	% Rutile in ore	% Zircon in ore	THM (Mt)	Ilmenite (Mt)	Rutile (Mt)	Zircon (Mt)
Reserves											
Namalohe	Proved	241	4.3	82	3.5	0.077	0.25	10	8.4	0.18	0.60
Namalohe	Probable	134	3.5	81	2.9	0.067	0.20	4.8	3.8	0.09	0.27
Nataka	Probable	445	3.2	84	2.7	0.047	0.16	14	12	0.21	0.73
TOTAL RESERVES	Proved & Probable	820	3.6	82	3.0	0.059	0.19	29	24	0.48	1.6
Mineral Resources zone	Category	Sand (Mt)	% THM*	% Ilmenite in THM	% Ilmenite in sand	% Rutile in sand	% Zircon in sand	THM (Mt)	Ilmenite (Mt)	Rutile (Mt)	Zircon (Mt)
Congolone	Measured	167	3.3	77	2.5	0.060	0.24	5.4	4.2	0.1	0.4
Namalohe	Measured	85	3.7	80	3.0	0.068	0.22	3.2	2.5	0.1	0.2
Namalohe	Indicated	142	3.1	78	2.4	0.058	0.17	4.3	3.4	0.1	0.2
Pivilli	Inferred	227	5.4	80	4.3	0.13	0.35	12	9.8	0.3	0.8
Mualadi	Inferred	327	3.2	80	2.6	0.061	0.21	10	8.4	0.2	0.7
Nataka	Inferred	5,800	2.8	82	2.3	0.047	0.15	160	130	2.7	8.6
Mpitini	Inferred	287	3.6	80	2.9	0.070	0.24	10	8.3	0.2	0.7
Marrua	Inferred	54	4.1	80	3.3	0.19	0.19	2.2	1.8	0.1	0.1
Quinga North	Inferred	71	3.5	80	2.8	0.14	0.28	2.5	2.0	0.1	0.2
TOTAL RESOURCES		7,160	2.9	81	2.4	0.054	0.17	210	170	3.9	12