KENMARE
RESOURCES PLC

H1 2021 Results Presentation

18 August 2021

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Agenda

Introduction
Michael Carvill, Managing Director

Financial review
Tony McCluskey, Finance Director

Operational review
Ben Baxter, Chief Operations Officer

Market update
Cillian Murphy, Marketing Manager

Outlook
Michael Carvill, Managing Director

Q&A

Delivering increased production and profitability

Ramping up ilmenite production to 1.2 Mtpa (million tonnes per annum)

GROWTH

Guidance of 1.1-1.2 Mtpa of ilmenite (plus associated co-products) in 2021

49% production increase

Guidance maintained based on H1 performance

MARGIN EXPANSION

Kenmare is targeting a first quartile position on the industry revenue to cost curve

49%[1] EBITDA margin

EBITDA margin up significantly from 33% in H1 2020

SHAREHOLDER RETURNS

Targeting a 25% Profit After Tax (PAT) dividend payout ratio in 2021, up from 20% previously

25% PAT dividend target

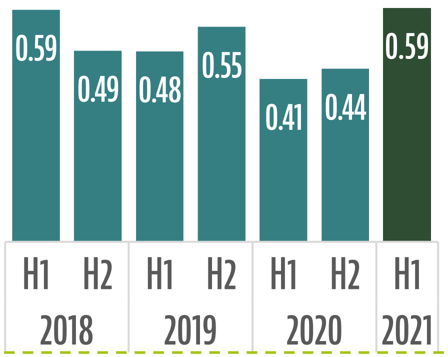
USc7.29/sh 2021 interim dividend, more than triple H1 2020

1. EBITDA margin based on EBITDA over free on board (FOB) revenues

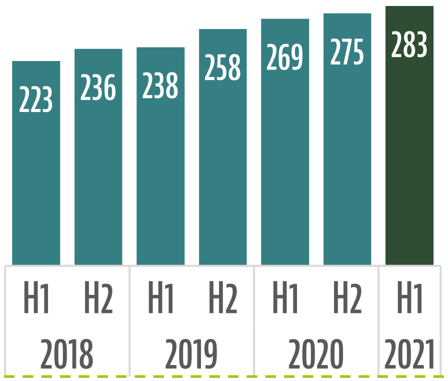
Record earnings & interim dividend

Operational & financial highlights

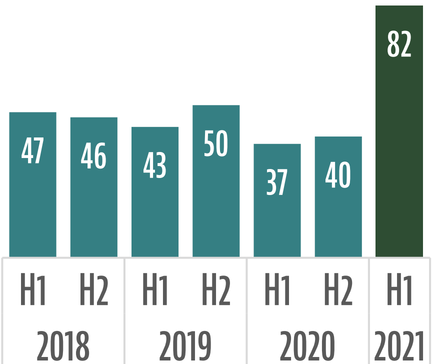
Shipments (Mt)



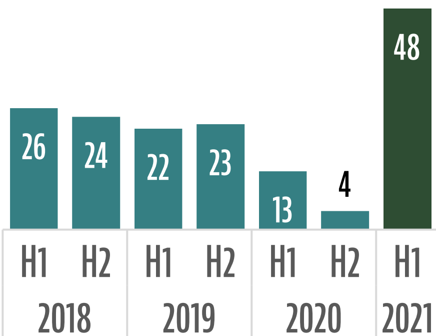
Sales price (FOB) (US$/t)



EBITDA (US$m)



Profit After Tax (US$m)



Other financial highlights

Net Debt (US$m)

US$76.2m

(31.12.2020: US$64.0m)

Interim Dividend

Up 217%

(H1 2021: USc7.3/sh)
(H1 2020: USc2.3/sh)

Capital projects

RUPS[1]

Underway

Expected completion Q1 2022

Nataka PFS

Underway

PFS expected in 2022, ahead of move in 2025

1. Rotary Uninterruptible Power Supply (reducing reliance on diesel generators and reducing CO_2 emissions materially)
2. Free on board (FOB) – received prices less shipping costs

Committed to safety & sustainability

Sustainability

- Building on our long-term commitment to Sustainability

Safety

- 44% reduction in Lost Time Injury Frequency Rate

COVID-19

- COVID-19 testing & vaccination programme in place

Financial Review

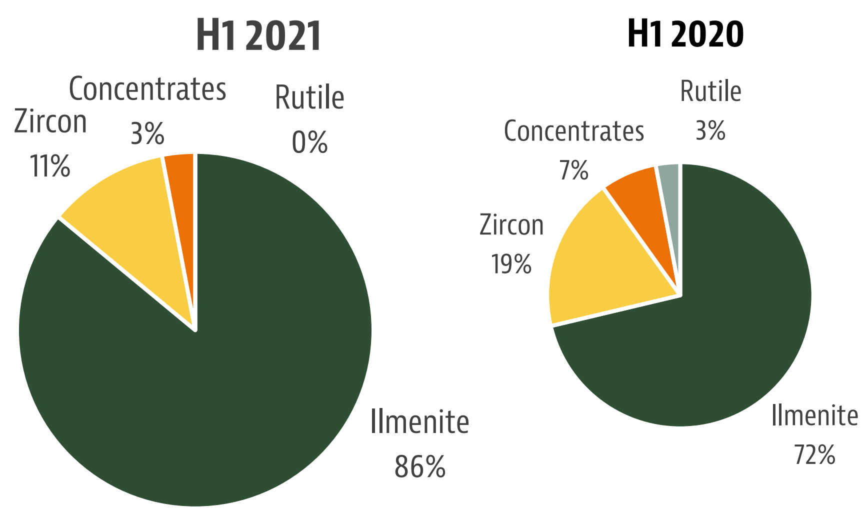
Tony McCluskey, Finance Director

EBITDA margin increased to 49% (H1 2020: 33%)

H1 2021 income statement

	H1 2021 US$ million	H1 2020 US$ million
Revenue (CIF)	178.2	116.8
Freight costs	(10.4)	(5.6)
Revenue (FOB)	167.8	111.2
Cost of sales & other operating costs	(119.5)	(96.9)
Operating profit	58.7	19.9
Net finance cost	(6.1)	(4.6)
Foreign exchange (loss)/gain	(2.0)	0.7
Profit before tax	50.6	16.0
Tax	(2.6)	(3.3)
Profit after tax	48.0	12.7
EBITDA	82.3	37.2

Revenue (FOB) by product (%)



- 51% increase in revenues (FOB) with 44% higher sales volumes and 5% higher sales prices (FOB)
- Reduction in tax despite higher profits due to increased tax shield following 2020 PPE additions
- 278% increase in profit after tax and 121% increase in EBITDA, driven by higher product output at improved margin

Volumes ↑, prices ↑, unit costs ↓ = profit after tax ↑278%

Increased average sales price

Pricing and shipping review

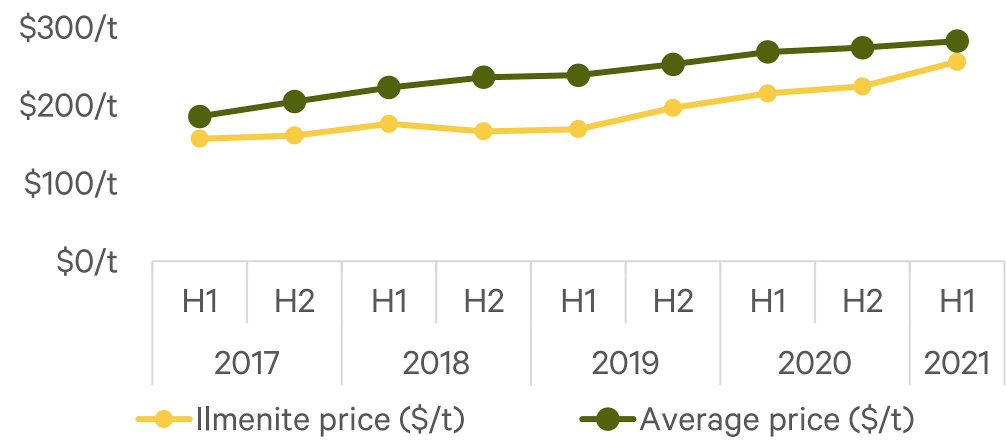
Strong market conditions continue in H1 2021

- 5% increase in overall average sales price (FOB) to US$282/t in H1 2021 (H1 2020: US$269/t)
  - Ilmenite price up 18% on H1 2020 and 14% on H2 2020
  - Primary zircon price up 4% on H1 2020 and 6% on H2 2020

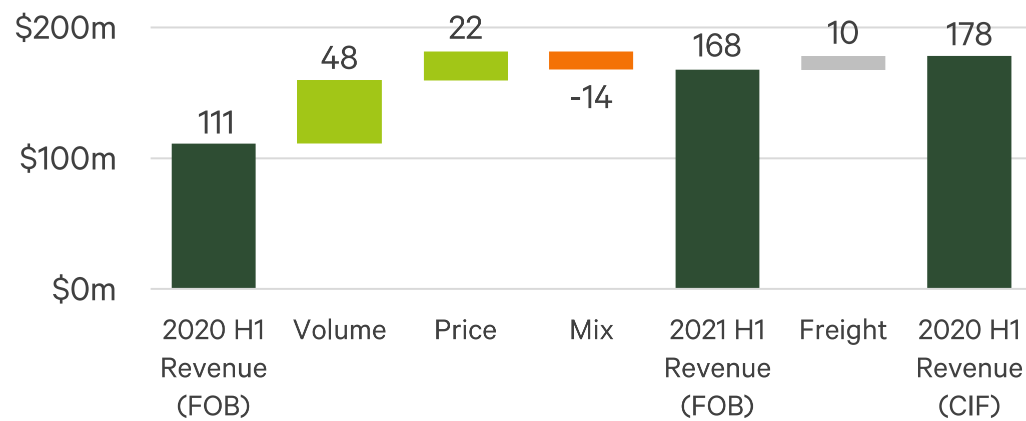
Shipping volumes substantially increased

- 44% increase in total shipment volumes to 594.1kt in H1 2021 (H1 2020: 413.7kt)
  - 52% increase in ilmenite sales volumes on H1 2020
  - 8% decrease in primary zircon sales volumes on H1 2020
- A primary zircon & rutile shipment scheduled for H1 slipped into early July resulting in the zircon sales volume decrease in H1 and adverse price mix variance

All products & ilmenite price movements (US$/t, FOB)[1]



Revenue bridge (US$m)



1. Free on board (FOB) – received prices less shipping costs

Unit costs reduced on increased production

H1 2021 cash operating costs reconciliation[1]

	Unit		H1 2021	H1 2020
Cost of sales	US$m		100.3	82.7
Other operating costs excluding freight	US$m		8.8	8.6
Total costs less freight			109.1	91.3
Depreciation	US$m		(23.5)	(17.3)
Share-based payments	US$m		(2.1)	(1.0)
Product stock movements	US$m		3.8	2.2
Adjusted cash operating costs	US$m	+16%	87.3	75.2
Finished product production	tonnes	+49%	612,100	410,600
Total cash operating cost per tonne	US$	-22%	143	183
Total cash operating costs less co-products revenue (FOB)	US$m	+44%	63.3	43.9
Ilmenite production	tonnes	+52%	559,000	368,900
Total cash cost per tonne of ilmenite	US$	-5%	113	119

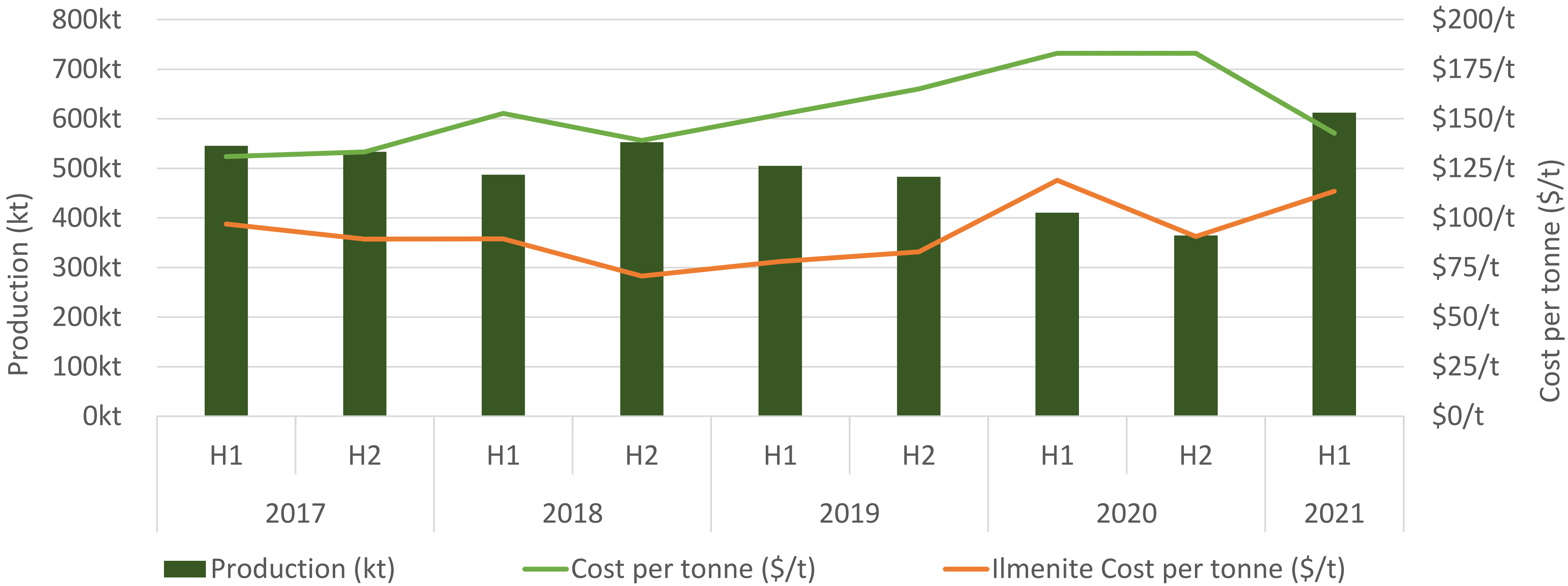
- 16% (US$12.1m) increase in adjusted cash operating costs, due primarily to:
  - Increased COVID-19 costs US$2m
  - Increased maintenance costs US$3m
  - HMC haulage costs US$3m
  - Increased mining royalties and processing taxes US$1m
- 22% decrease in cash operating cost per tonne driven by higher production volumes (+49%)
- Net ilmenite unit cost reduced to US$113/t from US$119/t in H1 2020. Reduction lower than all product cost per tonne due to lower co-product revenues in H1-2021

Unit costs decreased in H1 2021 as a result of increased production

1. Analysis reconciles Income Statement to cash operating cost to run business

Unit costs down 23% on prior half year periods

Net ilmenite costs expected to benefit from higher co-product sales in H2 2021



- Total cost per tonne reduced to US$143 per tonne in H1 2021, targeting further reductions in H2 2021 through a combination of higher volumes and the expected reduction of COVID-19 and HMC road haulage costs
- Ilmenite cost per tonne impacted by lower co-product sales volumes in H1 2021, expected to be a tail wind in H2 2021 as co-product sales and inventories normalise

Net cash/debt flows

Reduced investment in capital expenditure in H1 2021 compared with previous year

H1 2021 cash bridge (US$m)

- Increased operating cash flow of US$74.2 million, due to higher sales volumes and improved pricing
- Investment in capex of US$31.8 million (incl. amounts due for WCP B Move at year-end), reflecting reduction from 2020 levels
- Working capital increase of US$42.1 million, mainly comprised of:
  - Trade & other receivables up US$21.4 million - increased sales volumes and reduced utilisation of invoice discounting
  - Trade & other payables down US$15.0 million to more normalised levels from elevated balances at year end balances
  - Inventories up US$5.9 million - mineral stocks up US$3.8 million and plant spares and consumables up US$2.1 million

Financially well-resourced

Balance sheet review

	30-Jun-2021 US$ million	31-Dec-2020 US$ million
Property, plant & equipment	956.6	961.7
Inventories	69.6	63.7
Trade & other receivables	51.3	29.9
Deferred tax asset	-	0.2
Cash	56.5	87.2
Total assets	1,134.0	1,142.8
Equity & reserves	940.0	900.5
Bank loans	128.0	145.8
Leases	2.8	3.3
Creditors & provisions	63.2	93.2
Total equity & liabilities	1,134.0	1,142.8

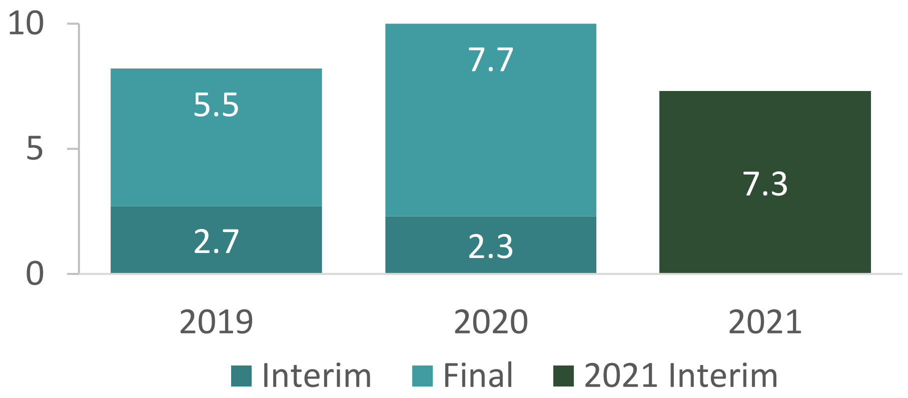
- PPE movement includes additions US$23.6m (H1 2020: US$59.2m), less mine closure adjustment (US$5.2m) & depreciation (US$23.5m)
- Inventories up - consumable spares by US$2.1m and mineral products by US$3.8m
- Trade receivables up, mainly due to increased shipments and non-utilisation of the invoice discounting facility.
- US$20m RCF loan principal repaid in H1 2021, reflecting start of debt reduction.
- US$24.8m reduction in payables and accruals to more normalised levels from year end. Mine closure provision reduced by US$5.2m.

Balance sheet remains robust as de-gearing starts with repayment of US$20m RCF

Interim dividend tripled

Increased dividends based on rising profitability and elevated 25% target payout rate

Dividends (USc/share)



H1 2021 profit after tax

US$48.0m

Interim dividend/share

USc7.29

2021 Interim Dividend[1]

US$8.0m

Dividend increase

+217%

Dividend summary

- Kenmare is targeting a dividend payout ratio of 25% of Profit After Tax in 2021
- H1 2021 dividend of USc7.29 per share
- Targeting a one-third/two-thirds interim/final dividend split
- 2021 final dividend will be a balancing payment to meet the dividend policy
- Payment to be made in October 2021

H1 2021 dividend timetable

Event	Date
Ex-Dividend Date	23 September 2021
Record Date	24 September 2021
Currency election cut-off date	28 September 2021
Payment date	22 October 2021

1. 2021 interim dividend is calculated as 66.6% of 25% of H1 2021 profit after tax (US$48.0m)

Operational Review

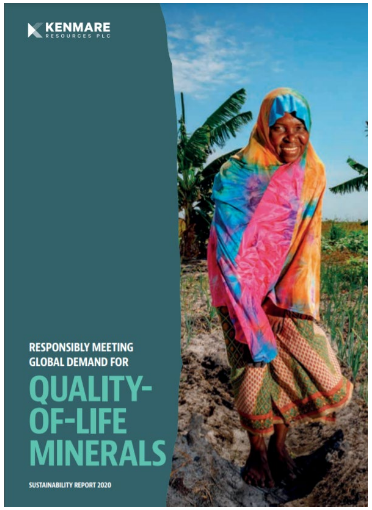
Ben Baxter, Chief Operations Officer

WCP B starting mining in Pilivili

Enhancing our commitment to Sustainability

Sustainability Strategy under development

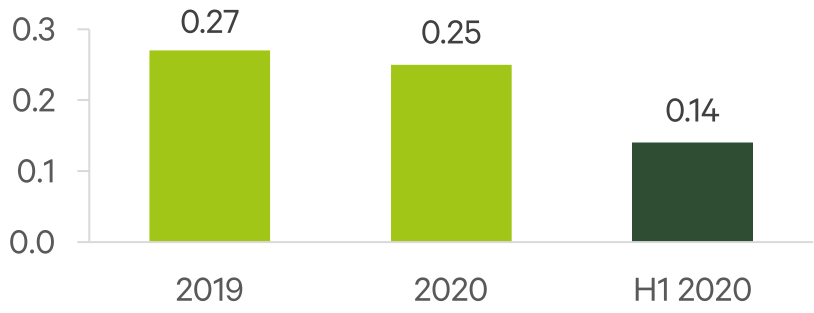
- Climate resilience & decarbonisation strategy under development
- Emissions reduction projects underway: RUPS
- Rehabilitation plan updated to improve soil fertility & biodiversity
- Ongoing improvement in gender diversity (>11% female workforce representation, as at end H1 2021)
- Inaugural Sustainability Report published
- Customers tracking performance – EcoVadis Silver Award



Reinforcing Kenmare's safety culture

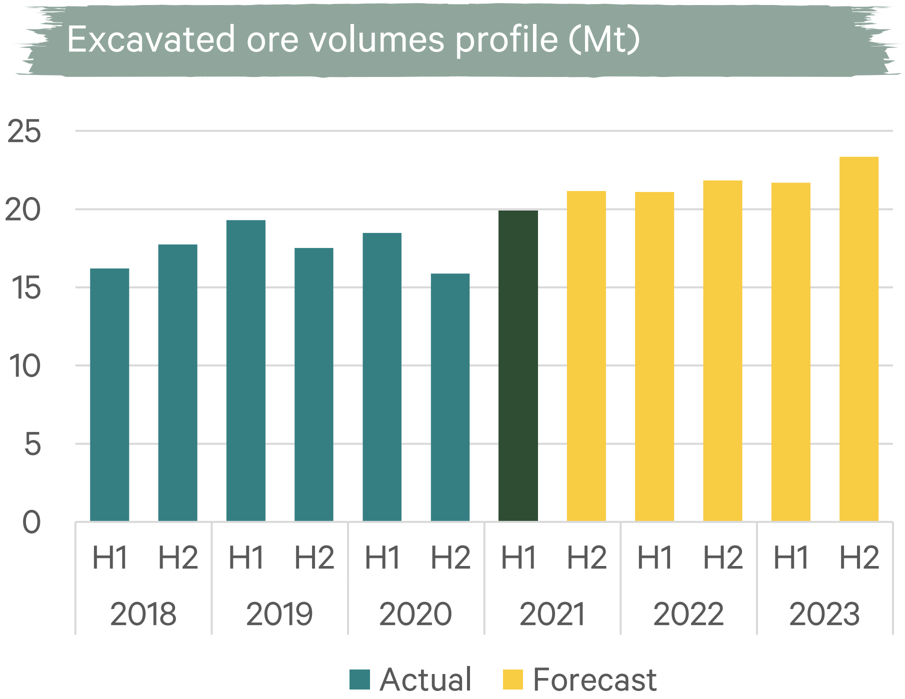
- 1 LTI in the period
- 3.1 million hours worked LTI free at the end of H1 2021
- Risk management delivering meaningful reduction in injuries
- Implementation of safety leadership and coaching programme

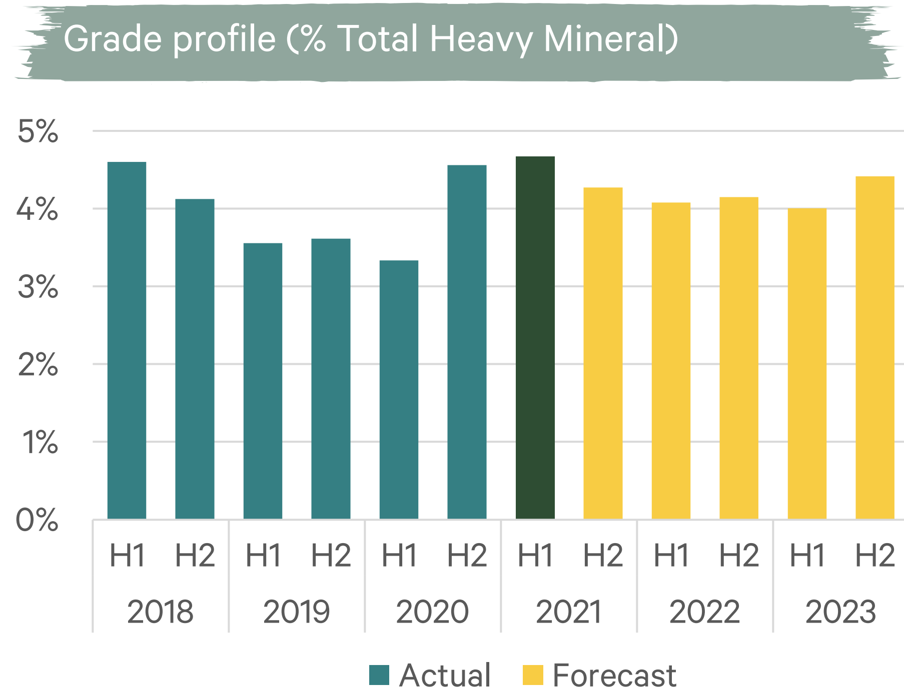
Positive LTIFR trend[1]



1. LTIFR (Lost Time Injury Frequency Rate) is the number of Lost Time Injuries per 200,000 man-hours worked over a rolling 12 month period

Record excavated ore volumes in H1 2021





- Record excavated ore volumes (19.9Mt) achieved in H1 2021, as a result of improved throughputs and utilisations
- H2 2022 expected to continue to deliver high mining rates
- Strong grades expected in Q3 2021 (4.7%) as a result of Pilivili contribution, with lower grades expected in Q4 2021 (3.8%) before increasing to 4.1% in 2022

H1 2021 production review

Production and shipments consistently delivering

+43% HMC production

- Increased output from WCP B at higher grade Pilivili orebody
- Full half year of production from WCP C

Increased final products: +52% ilmenite production:

- In line with additional HMC and HMC stock drawdown
- All co-products increased production tempered by inefficiencies associated to COVID-19 impacts (maintenance and process control restrictions)
- H1 rutile recovery project delivered
- Concentrates stock build up in H1 2021 to reverse in H2 2021

Stronger shipments expected in H2

- 44% increase in shipments compared to H1 2020 based on improved demand and increased production
- Increased utilisation of transshipment fleet and significant improvement in load-out cycle times
- Lower proportion of co-products shipped, expected to normalise over full year

HMC production

798,500t
+43%
H1 2020: 558,400t

Ilmenite

559,000t
+52%
H1 2020: 368,900t

Primary zircon

28,200t
+33%
H1 2020: 21,200t

Rutile

4,200t
+45%
H1 2020: 2,900t

Concentrates

20,700t
+18%
H1 2020: 17,600t

Shipments

594,100t
+44%
H1 2020: 413,700t

On target for all guidance metrics

Development Projects

1.2Mt Ilmenite projects delivering

WCP B Move

- Substantially complete
- Ramp-up of Positive Displacement pumping underway, design throughputs proven, however reliability of some components limiting utilisation
- Expecting to continue some road haulage this year

WCP C

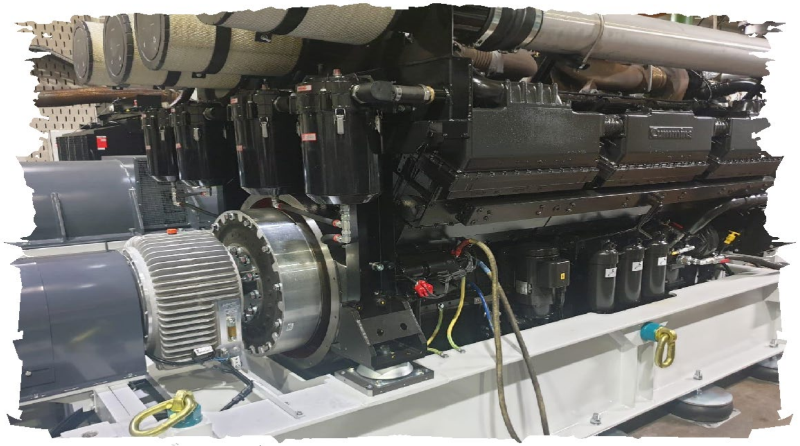
- Remedial actions on concentrator completed
- Plant operating at design 500tph, >80% utilisation and with product grade & recoveries above plan
- Closing out project with final costing US$43.5 million (budget US$45 million)

Rotary Uninterruptable Power Supply (RUPS)

- Improving MSP utilisations whilst reducing carbon footprint through 15% reduced diesel consumption across the mine
- Higher than expected costings led to re-tendering process for civil engineering and installation costs
- RUPS unit fabrication completed and ready for delivery
- Project forecast to be US$18 million, with completion expected in Q1 2022

HMC pumped from Pilivili arriving at MSP

RUPS factory acceptance testing



Nataka PFS on track for delivery in 2022

Nataka mining expected to commence in 2025

Developing orebody knowledge for resource confidence and mining resilience

- To be completed in 2021:
  - Geotechnical testing including wide coverage CPTu drilling and trial pit
  - Hydrogeological exploration and modelling
  - Resource Modelling and product quality assessment

Orebody slimes management

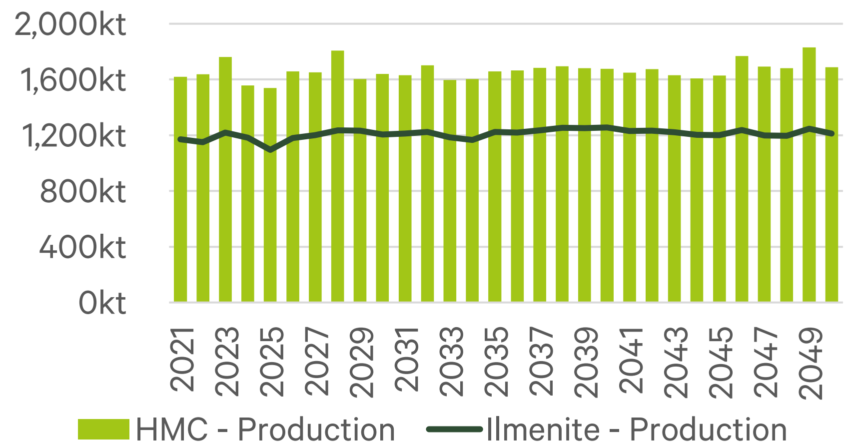
- Hydromining trial successfully completed in Namalope: low cost supplementary method to support dredging in higher slimes
- Process flowsheet developed and testwork underway to manage slimes
- Tails deposition strategies under review

PFS due in 2022

- Facilitates the relocation of WCP A and WCP C to Nataka
- Relocation of WCP A likely to be by dredging a corridor to a 20-year high grade path, rather than by SPMT
- Studies commenced to address the 2025 shortfall in HMC to make 1.2Mt ilmenite on a sustainable basis

Hydromining trial at WCP A

Long term production at 1.2Mtpa ilmenite



Market Update

Cillian Murphy, Marketing Manager

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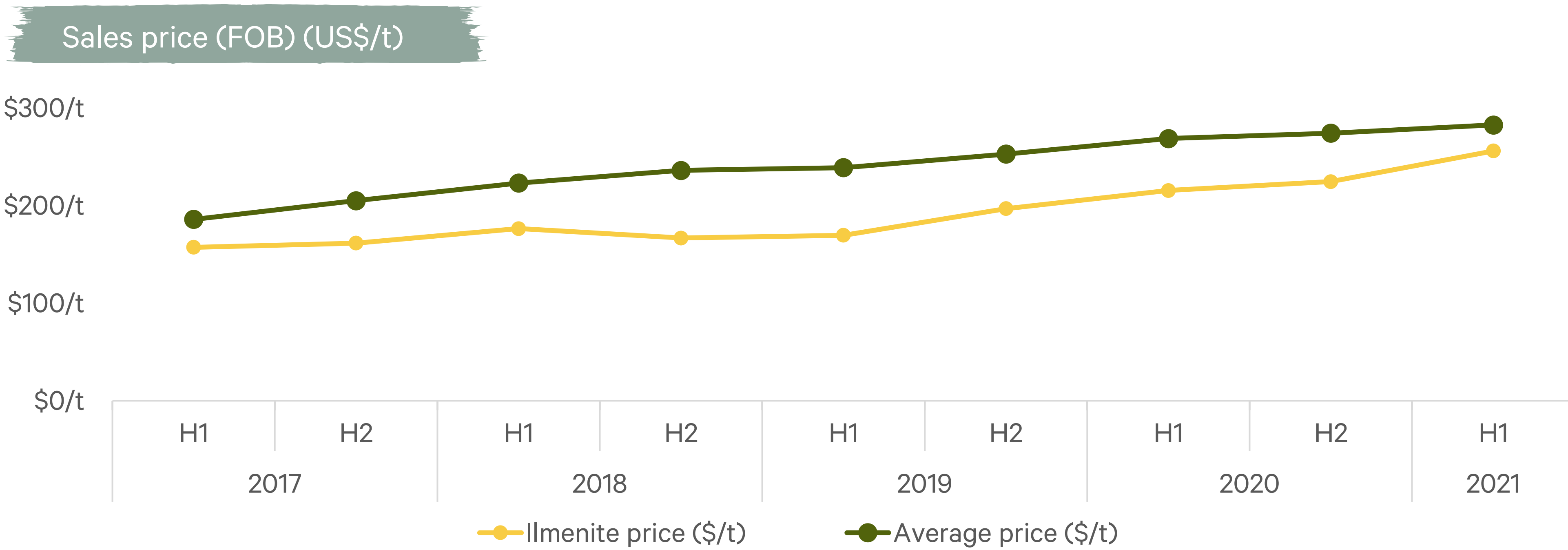
Titanium feedstocks

Robust markets for all Kenmare products

Kenmare achieved further price increases in H1 2021



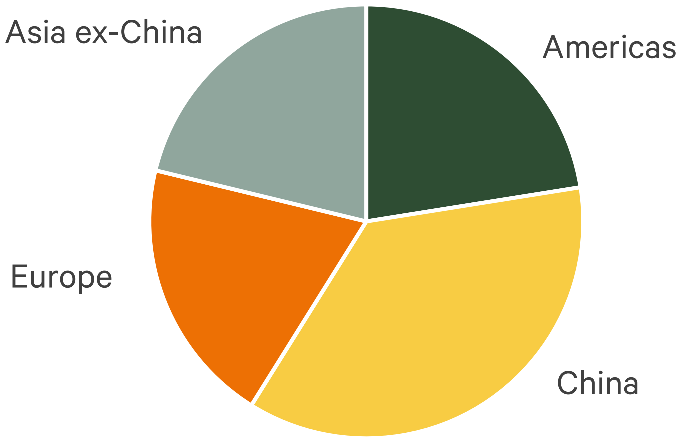
Recovery in downstream markets resulted in strong demand for Kenmare's products

- Global economic growth following the COVID-19 pandemic has resulted in strong demand for titanium feedstocks and zircon
- Tight market conditions has resulted in prices for all products increasing
  - Supply constraints are exacerbating the tight markets
- Supportive market conditions for all products have continued into Q3 2021

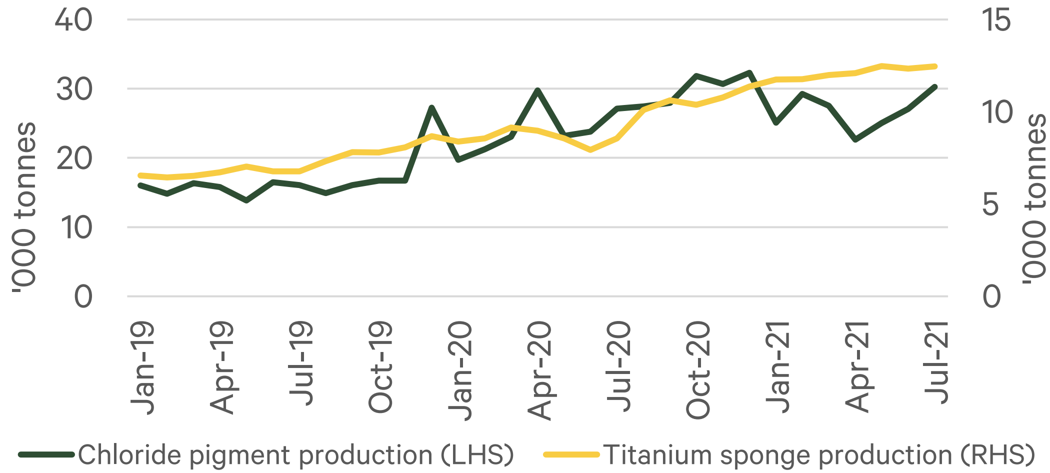
Strong global demand for Kenmare ilmenite

Ilmenite market absorbing Kenmare's increased ilmenite production

Ilmenite sales volumes by region



Ilmenite upgrading in China remains a key growth market[1]



Broad demand growth resulted in price increases through H1 2021

- Global pigment production increased in H1 2021 due to buoyant downstream demand
- Growing ilmenite beneficiation in China is supported by chloride pigment and titanium sponge markets
  - Kenmare remains a preferred supplier to this market
- Supply constraints to high-grade feedstocks have resulted in higher demand for ilmenite as consumers look for alternative supply sources
- Tight market conditions led to consecutive price increases in Q1 and Q2 2021

1. Source: Toodudu

Positive market conditions set to continue

H2 2021 market outlook

Ilmenite

- Solid demand has continued into H2 2021 and Kenmare expects to achieve higher prices in Q3 2021
- Ilmenite inventories remain at low levels and supply constraints are adding to the demand for Kenmare ilmenite
- Market is absorbing Kenmare's increased production
- Kenmare is experiencing very strong demand for its rutile product and will benefit from the current higher market prices

Zircon

- The zircon market recovered strongly in H1 2021 and the market is tight
- Zircon demand improved in all regions with China and Europe particularly strong
- Zircon supply constraints are exacerbating the tight market and inventories are at low levels
- Further price increases announced by major producers for Q3 2021 and current spot prices are significantly above these levels

Ilmenite

Zircon

Outlook

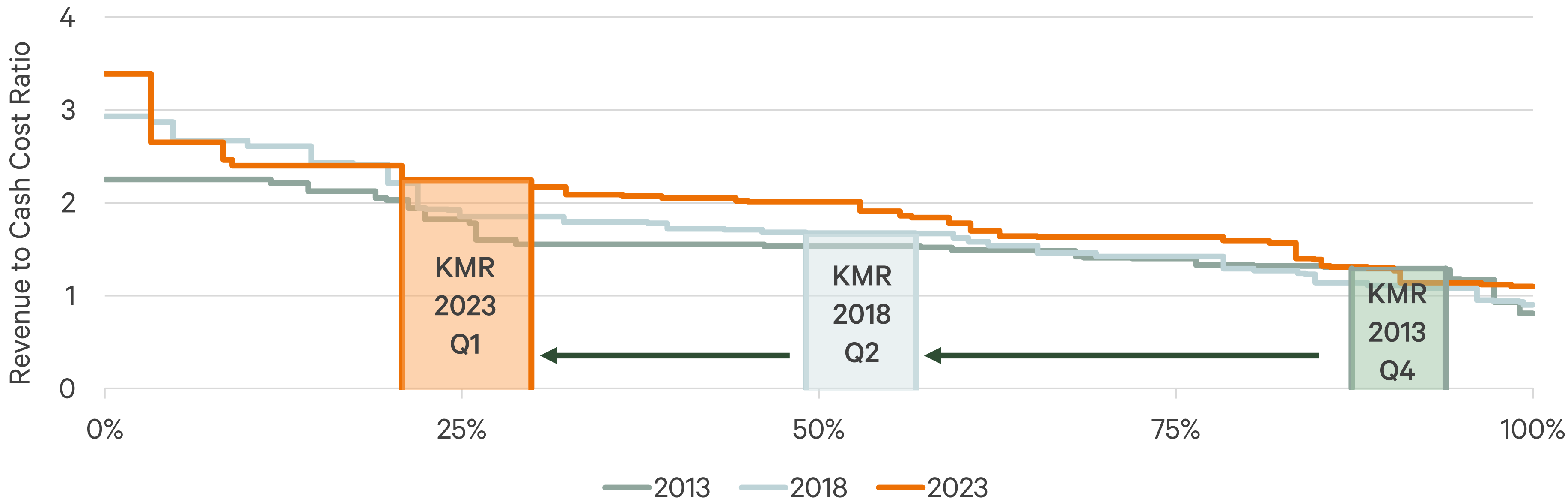
Michael Carvill, Managing Director

Jetty at sunrise

Becoming a first quartile margin producer

Kenmare is well-positioned to deliver strong free cash flow

Industry revenue to cash cost curves



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

Source: TZMI

Building on our strategy

Strategy	H1 2021 Performance	2021 Targets
Growth: Production rising to 1.2 Mtpa ilmenite		
➢ Low capital intensity growth to fully utilise existing installed facilities	➢ 49% increase in final product production in H1 2021 vs H1 2020	➢ A 45-60% increase in final product compared to 2020 ➢ Higher prices are expected in H2
Margin expansion: 1.2Mtpa production is expected to deliver increased EBITDA margins		
➢ Focus on margin expansion through cost reductions and/or increased revenue streams	➢ H1 2021 EBITDA margin up to 49% ➢ Up from 33% in H1 2020	➢ Lower unit costs – US$132-146/t ➢ Normalised zircon and rutile sales should positively influence H2 margins
Shareholder returns: From 2021 free cash flow is expected to strengthen, enabling increased shareholder returns		
➢ Pay a minimum dividend of 20% profit after tax to shareholders, while maintaining balance sheet strength and flexibility	➢ 25% PAT dividend payout ratio ➢ Interim dividend up 217%	➢ Targeting a 25% profit after tax dividend for 2021 ➢ Final dividend will be a balancing payment

Appendices

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Mining at WCP A

Mineral sands: essential to modern life

Two core product streams, titanium feedstocks & zircon

Titanium feedstocks (ilmenite and rutile)

- TiO2 pigment imparts whiteness and opacity in the manufacture of paints, plastics and paper
- Non-recyclable and difficult to substitute

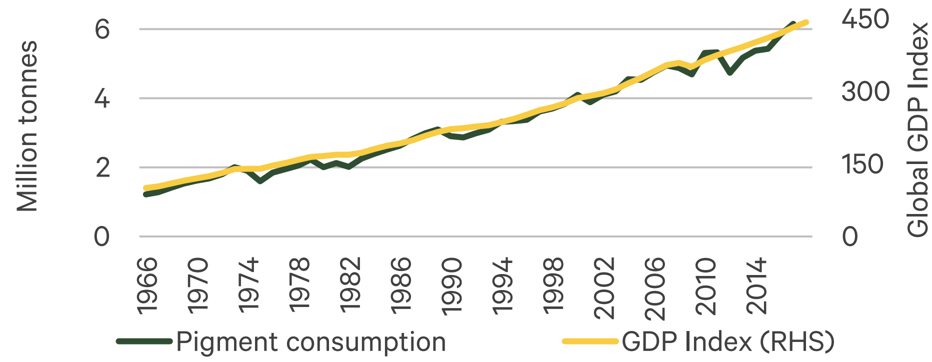
Zircon

- An important raw material for the ceramics industry for wall tiles, floor tiles and sanitary ware
- Favoured for whiteness, opacity, high melting point and shock resistance
- Emerging market zircon & pigment demand growing rapidly

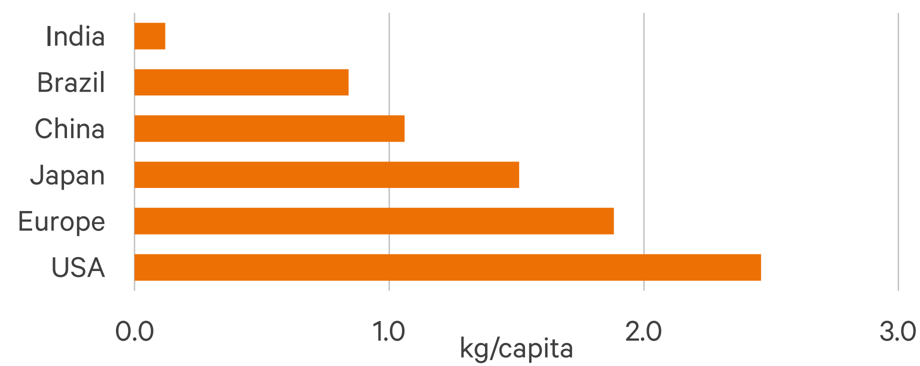
Pigment is "quality of life" product, consumption grows as income levels increase

- Significantly higher TiO2 pigment consumption per capita in developed western economies
- Large population developing economies are set for strongest pigment & zircon demand growth

World GDP vs TiO_2 pigment consumption[1]



Regional pigment consumption (2017)[2]



Demand for TiO_2 feedstocks and zircon is driven by global GDP growth and urbanisation in emerging markets

1: Source: Company (1966 GDP base year)
2: Source: Company

Overview: Moma Titanium Minerals Mine

Globally significant Mineral Reserves

Tier 1 resource base

- >100 year life of mine at targeted production rate of 1.2 Mtpa
- Moma is comprised of multiple ore zones – 6.4 billion tonnes of Mineral Resources
- Current mine plan runs beyond 2040

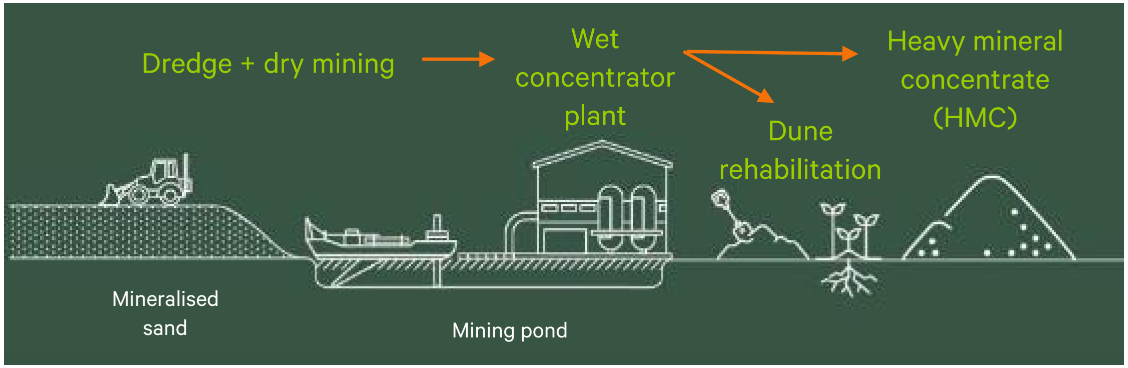
Low cost, bulk mining operation

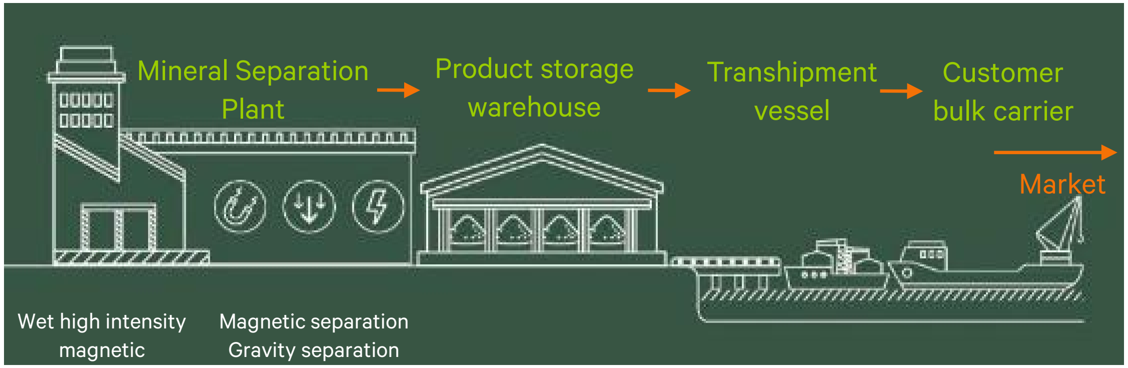
- Mature operation – in production since 2007
- Three Wet Concentrator Plants (WCPs) in operation – two mining the Namalope ore zone and one mining at Pilivili
- Dedicated on-site port facilities

Low environmental impact

- Primarily hydro-generated power (90% of power demand in 2020)
- Progressive rehabilitation of mined areas
- No chemicals used

Operational process outline





Financial robustness

Flexible debt & trade facilities in place

	30-Jun-2021 US$ million	31-Dec-2020 US$ million	Interest rate	Term
Term Loan	110.0	110.0	LIBOR +5.4%	March 2025
Revolving Credit Facility	20.0	40.0	LIBOR +5.0%	December 2022
Total debt	130.0	150.0		
Cash	56.5	87.2		

Facilities Summary

- Debt facilities fully drawn in 2020 to ensure sufficient liquidity to complete WCP B move, given COVID-19 uncertainty
- Term Loan repayments commencing in Mar-22, seven half yearly payments
- Revolving Credit Facility, US$20m repaid in H1 2021, flexibility to repay more as appropriate
- Other finance facilities in place for invoice discounting

2021 production guidance reiterated

Kenmare is well advanced in achieving targeted production of 1.2 Mtpa ilmenite on a sustainable basis

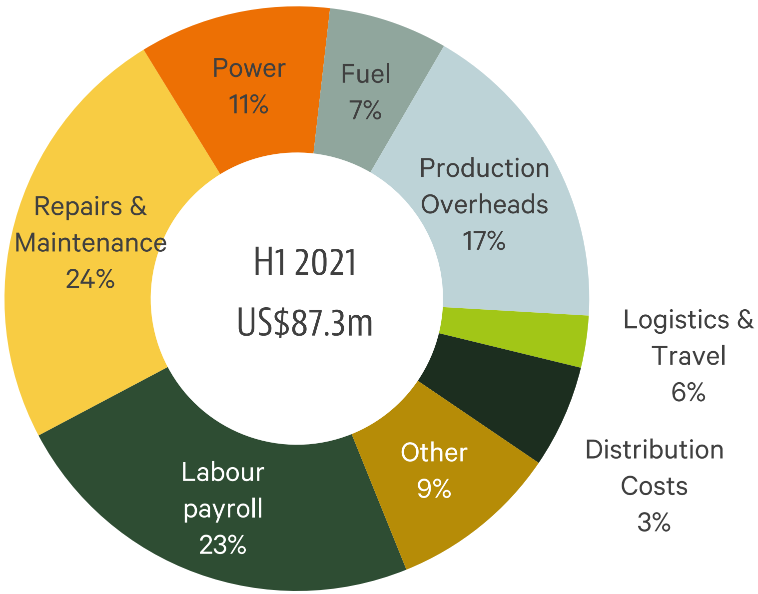
Production		2021 FY Guidance	2021 HY Actual	2020 Actual
Ilmenite	tonnes	1,100,000-1,200,000	559,000	756,000
Primary zircon	tonnes	53,100-57,900	28,200	43,300
Rutile	tonnes	9,500-10,300	4,200	6,000
Concentrates[1]	tonnes	37,900-41,400	20,700	35,200
Costs				
Total cash operating costs	US$m	166-184	87	158
Cost per tonne	US$/tonne	132-146	143	188

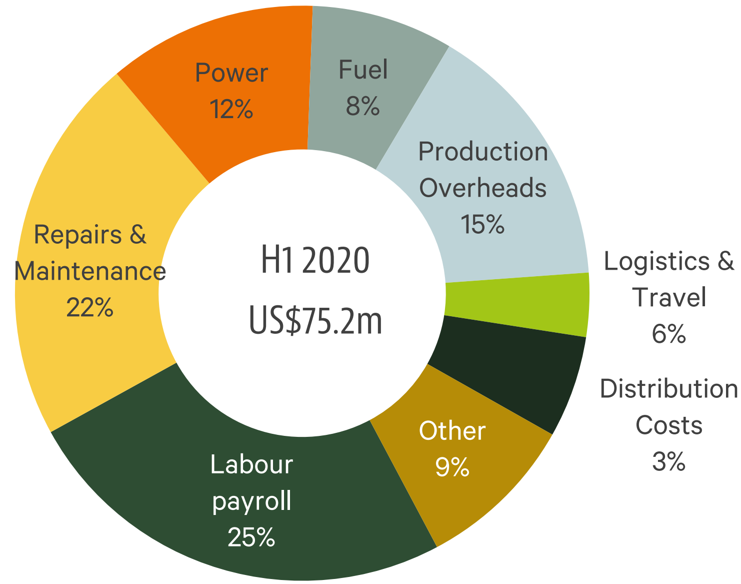
- Production of all finished products in 2021 is currently forecast in line with guidance
- In spite of material irregular costs in 2021 (COVID-19, HMC haulage), cost guidance is also maintained.

Guidance provided on 13 January 2021. Concentrates includes secondary zircon and mineral sands concentrate.

Total cash operating costs

Adjusted cash operating costs breakdown





16% increase due primarily to:

- Increased COVID-19 costs (US$2m) in H1 2021, reflecting a comparative (to H1 2020) return to more normalised work & travel patterns whilst maintaining significantly increased sanitation, testing and vaccination efforts in the period.
- Additional HMC road haulage cost (US$3m) for HMC now produced by WCP B in Pilivili, this will continue to be incurred until HMC pumping system is fully commissioned.
- Increased maintenance costs (US$3m), reflective of WCP C now operating for a full period and increased output levels from WCP B.
- HMC Royalty and Industrial Free Zone taxes increased by a combined US$1m, reflecting increased HMC output, increased sales volumes and higher final product prices.

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