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

30 April 2015

Update on possible acquisition

Kenmare and Iluka Resources Limited (“**Iluka**”) have been involved for an extended period in discussions for a possible acquisition by Iluka of Kenmare, which has included an extensive due diligence exercise by Iluka.

Kenmare has received a revised, non-binding proposal from Iluka for a share-for-share combination of Kenmare and Iluka at a ratio of 0.016 Iluka shares for each Kenmare share. The proposal by Iluka is subject to a significant number of pre-conditions to be met to Iluka’s satisfaction including, but not limited to: the receipt by Iluka of such consents and determinations from relevant authorities and the Mozambique government as may be required to effect the possible acquisition; written determination from the Mozambican tax authority of the amount of any capital gains tax; written confirmation from Kenmare’s lenders on the specific terms of repayment of Kenmare’s outstanding indebtedness upon a change of control of Kenmare; receipt of irrevocable undertakings of support from the Board of Kenmare and certain Kenmare institutional shareholders; and final approval from the Board of Iluka. Iluka has reserved the right to waive in whole or in part all or any of the pre-conditions.

There can be no certainty that an offer by Iluka for Kenmare will ultimately be forthcoming or, having regard to the terms of the proposal and the status of Kenmare’s negotiations with Iluka, as to the terms on which any such offer might be made.

The Board of Kenmare has reviewed the proposal carefully and has considered Kenmare’s financial position, prevailing market conditions and the terms of the debt amendment announced today. Having taken independent advice and subject to its fiduciary duties, the Board of Kenmare believes that it is in Kenmare’s shareholders’ and other stakeholders’ interests for Kenmare to continue to work with Iluka towards satisfaction of the pre-conditions to Iluka’s proposal.

Kenmare makes this update announcement in accordance with applicable legal obligations. For the purposes of Rule 2.4(c)(i) of the Irish Takeover Rules, this announcement has not been consented to by Iluka.

Further updates will be provided in due course.

Kenmare Resources plc

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The Directors of Kenmare accept responsibility for the information contained in this announcement. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this announcement is in accordance with the facts and does not omit anything likely to affect the import of such information.

This announcement is not intended to, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities whether pursuant to this announcement or otherwise. The distribution of this announcement in jurisdictions outside Ireland or the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities law of any such jurisdiction.

A person interested in 1% or more of any class of relevant securities of Kenmare or Iluka may have disclosure obligations under Rule 8.3 of the Irish Takeover Rules, effective from 26 June 2014, the date of the commencement of the offer period for Kenmare under the Irish Takeover Rules.