Kenmare Resources plc

Chatham House, Chatham St, Dublin 2, Ireland. Tel: +353 1 671 0411 Fax: +353 1 671 0810
Rua de Chuindi No.67, Maputo, Mozambique. Tel: +258 21 499 701 Fax: +258 21 499 731
Website : www.kenmareresources.com Email : info@kenmareresources.com

Kenmare Resources plc ("Kenmare" or "the Company")

30 April 2015

Publication of Annual Report and Debt Update

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 announces the publication and filing of its Annual Report for the fiscal year ended 31 December, 2014 and advises that the Annual Report is available on the Company's website at www.kenmareresources.com

Overview

- Ore mined in 2014 increased 42% to 34,120,000 tonnes (2013: 23,950,000 tonnes)
- Heavy Mineral Concentrate ("HMC") production increased 13% to 1,287,300 tonnes (2013: 1,137,200 tonnes)
- Ilmenite production increased 19% to 854,600 tonnes (2013: 720,100 tonnes), in addition 60,600 tonnes of magnetic concentrate was produced for later processing into ilmenite, to align production with demand
- Zircon production increased 62% to 50,800 tonnes (2013: 31,400 tonnes), including primary zircon up 107% to 43,600 tonnes (2013: 21,100 tonnes)
- Total shipments of finished products increased 18% to 800,000 tonnes (2013: 677,900 tonnes)
- Revenue increased 8% US$174.3 million (2013: US$165.1 million including capitalised revenues of US$23.6 million)
- EBITDA of US$9.4 million (2013: US$29.0 million)
- Debt restructuring completed in April 2015

Statement from Michael Carvill, Managing Director:

"Kenmare is now the largest supplier of internationally traded ilmenite in the world and as production levels continue to increase the Mine will return to a lower cost position on the cost curve. The single issue which dominated Kenmare's performance in 2014 and further into early 2015 has been the dramatic fall in ilmenite prices. Ongoing demand growth and supply side developments should have a positive impact on ilmenite markets in 2015 and in addition, Kenmare has successfully implemented measures to reduce unit costs and increase production, which positions the company well for a rebound in markets. We are also pleased to have reached agreement with our lender group, which has provided us with a more stable and flexible debt structure."

Financing update

An amendment to the terms of the Project Loans was agreed with Project Lenders on 29 April 2015 which, upon satisfaction of certain conditions precedent, will provide:

- a new money commitment (the "Super Senior Facility") of up to US$50 million (US$30 million for working capital purposes and US$20 million available to fund certain disputed liabilities subject to arbitration)
- extension of the final maturity of existing facilities
- reduction in scheduled principal payments on the Senior Debt
- elimination of scheduled interest and principal on Subordinated Debt
- novating and restating the Absa corporate facility as a Subordinated Debt obligation of the Project Companies and extending the final maturity from 31 March 2016 to 1 August 2021
- repayment of Super Senior Facility principal, Senior Debt principal and Subordinated Debt interest and principal, (including interest and principal on the novated Absa facility) by means of a cash sweep dependent on the Group's consolidated cash position on each Payment Date commencing 1 August 2016
- a lender approved Non-Executive Director to be appointed to Kenmare's Board

In certain circumstances, the Group is required to have completed a deleveraging in an amount acceptable to Project Lenders by 30 September 2015, and in certain other circumstances, the Group is required to file for Project Lender approval a budget for 2016 by 31 January 2016 which includes a plan and timetable for a material deleveraging satisfactory to Project Lenders. The Directors are satisfied that such a plan can be agreed with Project Leaders. Kenmare has shared with its lender group details of Iluka Resources Limited's non-binding proposal for a share for share combination of Iluka and Kenmare.

Details of the above-referenced amendments are set out in Note 21.

Annual Report
A copy of the Annual Report has been submitted to the Irish Stock Exchange and the UK National Storage Mechanism, and will shortly be available for inspection at the following locations:

Company Announcements Office,
Irish Stock Exchange,
28 Anglesea Street,
Dublin 2,
Ireland.
Tel: + 353 1 6174200

and

http://www.morningstar.co.uk/uk/NSM

The Annual Report is also available to view directly via the Regulatory News Service by clicking on the following link: Kenmare Resources 2014 Annual Report

Results conference call
A conference call for analysts will be held at 9:00am GMT on 30 April 2015. Participant dial-in numbers are as follows:

UK:	0808 237 0040
Ireland:	1800 936 842
Rest of the world:	+44 (0) 203 428 1542
Participant ID#	99907039#

For further information, please contact:

Kenmare Resources plc
Michael Carvill, Managing Director
Tel: +353 1 671 0411
Mob: + 353 87 674 0110

Tony McCluskey, Financial Director
Tel: +353 1 671 0411
Mob: + 353 87 674 0346

Jeremy Dibb, Corporate Development and Investor Relations Manager
Tel: +353 1 671 0411
Mob: + 353 87 943 0367

Murray Consultants
Doug Keatinge
Tel: +353 1 498 0300
Mob: +353 86 037 4163

Buchanan
Bobby Morse / Gordon Poole
Tel: +44 207 466 5000

CHAIRMAN'S STATEMENT

Kenmare has developed world-class dredge mining, processing and export facilities to exploit large-scale long - life mineral sands ore bodies at the Moma Titanium Minerals Mine in northern Mozambique. The Mine is now established as one of the world's largest producers of titanium dioxide feedstocks and zircon, with capacity to meet 8% of global titanium feedstock demand and 6% of global zircon demand. Kenmare is the largest producer of traded ilmenite globally.

2014 was a very challenging year for the mining industry as a whole and also for Kenmare. The effects of significant product market declines are reflected in our financial results and a disappointing share price performance. Kenmare has responded with operating cost reductions and market stabilisation measures.

Mining Industry Backdrop
The mining industry is facing many challenges after an extended period of investment to increase supply. Across a range of commodities, including Kenmare's, 2014 was a year of supply growth outstripping demand growth, exacerbating declines in commodity prices and further compressing operating margins for producers.

Titanium Dioxide (TiO_2) Feedstock Markets
Kenmare has inevitably been impacted by these general mining industry trends, in addition to specific issues affecting the titanium feedstock sector. The pigment industry is the main consumer of titanium feedstocks. While pigment demand grew in 2014 this was not fully reflected in demand for feedstock as pigment producers reduced inventory levels. This situation was compounded by additional ilmenite supply from new mineral sands projects, and unexpectedly strong growth in supply in China driven by an expansion of a type of iron ore production that yields ilmenite as a by-product.

Kenmare, as a result, experienced further declines in realised product prices during 2014, from already depressed levels in 2013. The weighted average price of ilmenite products sold by Kenmare declined by 19% year-on-year. Furthermore, for sulphate ilmenite, Kenmare took steps to reduce sales volumes to help stabilise the market, instead building inventory to higher than normal levels by year-end.

Despite these constraints, Kenmare continued to grow its market share and sales volumes increased by 18% in 2014 to 800,000 tonnes.

Operations
Kenmare mined over 34 million tonnes of ore and produced 1.3 million tonnes of heavy mineral concentrate ("HMC") during 2014, increases of 42% and 13% respectively on the prior year. Some 854,600 tonnes of ilmenite were produced along with 50,800 tonnes of zircon, increases of 19% and 62% respectively on the prior year.

Following an extended period of capital investment and construction, and recognising the decline in commodity prices, an operations review was instigated by management and carried out with external specialist support. The changes implemented following the review have resulted in improved efficiencies and a platform for further cost reductions in 2015. The Mine should benefit considerably from increased production levels as fixed costs are spread over larger volumes, helping to reduce unit costs.

The health and safety record at the Mine improved substantially in 2014, with 300 fewer days lost to injury, a reduction of 45%. High environmental standards were maintained, effective community and educational programmes continued in the local area, and the process of further localisation of the workforce moved forward.

Power Supply
Power stability in the northern transmission system of the Mozambique state electrical utility, Electricidade de Moçambique ("EdM") remains a point of focus for your Board and management team. Kenmare has worked diligently with EdM to implement a range of measures in the short, medium and long term to increase power stability, for example, with independent generation capacity.

Unfortunately however, in the first quarter of 2015 northern Mozambique experienced exceptional heavy rains and unprecedented flooding. Our deepest sympathies go out to the friends and family of Mr Rafael Agy, an employee of Kenmare, whose life was tragically lost while off duty during the flooding.

The unprecedented flooding resulted in sections of the transmission line being brought down, cutting power to the Mine for extended periods. Physical loss of power lines has not been experienced before in Kenmare's operations. The Company continues to assess potential means to ensure the continuity, quality and quantity of electricity supply required to run operations at the Mine.

Financial Results
A loss after tax of US$100.8 million was incurred in 2014 (2013: US$44.1 million), inclusive of an impairment loss of US$64.8 million, while EBITDA was US$9.4 million (2013: US$29.0 million). These disappointing results are a direct result of reduced product prices and constrained demand for sulphate ilmenite, combined with unit costs that have yet to reflect the full production potential of the Mine.

Financing
Amendments to the project financing terms for the Mine, and an extension to the corporate loan provided by Absa Bank Limited ("Absa") were agreed in February and July 2014. These financing terms will be superseded by new arrangements agreed since the reporting date that, upon effectiveness, will provide for increased availability of debt, a cash sweep mechanism for repayments (dependent on the level of cash generation at the Mine, rather than fixed amortisation) and extended maturity dates. In return, Kenmare has agreed to a number of amendments to the loan agreements, including increased reporting and oversight, targets for future deleveraging, and the appointment of a lender-approved Director to the Board.

Approach by Iluka Resources Limited
Kenmare was approached in June 2014 by Iluka Resources Limited ("Iluka") with a preliminary, conditional proposal to acquire the entire share capital of Kenmare by a scheme of arrangement. Following an unauthorised press report which contained market sensitive and inside information on 26 June 2014, Kenmare and Iluka both issued public statements.

Since then, as market conditions have continued to deteriorate, Kenmare has engaged with Iluka, with a view to progressing a possible offer by Iluka. Notwithstanding significant progress, there can be no assurance that an offer from Iluka will be forthcoming.

Board & Corporate Governance
As announced on 24 June 2014, our previous Chairman, Justin Loasby, retired for health reasons. I became Chairman from that date, and Gabriel Smith kindly agreed to take over as Chairman of the Audit Committee. No other Board changes took place during the year.

The year 2014 was the first year that the shareholder-approved Kenmare Incentive Plan (KIP) applied to executive remuneration. Key performance indicators used to determine awards under the KIP include focus on factors within management control, and because the Company achieved growth in operational results despite the difficulties mentioned above, some incentive awards are to be made in line with the mechanisms of the KIP, but discounted to reflect the constrained financial circumstances of the Company.

Outlook
Ongoing demand growth and supply-side developments should have a positive impact on ilmenite markets in 2015 and beyond. Higher pigment plant operating rates and significantly increased demand for ilmenite from new slag producers in China and the Middle East are expected to have a positive impact on ilmenite demand, especially for sulphate ilmenite. Additionally, some existing slag producers outside of China have entered the market to buy significant volumes of ilmenite. On the supply side, Chinese ilmenite produced as a by-product of iron ore mining appears to be being impacted by depressed iron ore prices, with mounting evidence that a number of producers have either reduced or suspended production.

We continue to be well supported by our zircon customer base and expect further sales volume growth in 2015.

We believe that the mineral sands business has reached its cyclical low and is now poised to rebound. We cannot be sure exactly when the rebound will take place, but Kenmare is highly geared for any upturn, and has the benefit of long life reserves and resources to exploit over many years.

On behalf of the Board, I would like to express appreciation of the hard work and dedication of Kenmare's staff during a difficult year. They have improved efficiencies and adapted to changing circumstances with continuing enthusiasm and commitment, and we are grateful for their exceptional efforts. Finally, as Chairman, I would like to thank personally the rest of the Board for their dedication and their substantially increased commitments to your company during this challenging year.

Steven McTiernan
Chairman

MANAGING DIRECTOR'S REVIEW

Summary

The single issue which dominated Kenmare's performance during the period under review and further into early 2015 has been the dramatic fall in ilmenite prices. Spot prices for sulphate ilmenite have dropped from the mid US$300's per tonne in 2013 to between US$100 and US$150 per tonne at present. This price drop started in the second half of 2012, continued in 2013, and while there was a general consensus that it would reverse in 2014, the decline in prices continued. Consequently and unfortunately, Kenmare incurred a loss in 2014.

In our view the price drop was caused partly by a rebalancing of pigment inventories and partly by an increase in Chinese ilmenite production over the last few years, driven by high iron ore prices. China produces ~3.5 million tonnes of ilmenite per annum, primarily as a by-product of iron ore mining. Hence the more iron ore mined in China, the more ilmenite produced. However since mid-2014, significant global growth in the supply of traded seaborne iron ore has resulted in a major drop in iron ore prices and the outlook is for structural oversupply in the next few years. We are now beginning to see this result in a significant reduction of iron ore mining and hence of ilmenite production in China.

The situation in 2014 was compounded by the ramp up of new projects which had been conceived and financed during a period of much higher prices. These projects were unfortunately then obliged to establish their position in the market at an inopportune time and they aggressively pushed product into the market, exacerbating the downward move in prices.

In the meantime, Kenmare has been implementing measures to reduce unit costs and increase production, including in relation to procurement, hiring, energy efficiency, revised management practices and reduction in capital spend which will produce a significant ongoing saving.

Operations

Safety and Risk

We are very pleased with the improvement in safety performance of the Mine. After the expansion, with many new staff joining, we experienced a deterioration in our safety statistics. The 12 month Lost Time Injury Frequency Rate (LTIFR) reached 0.9 per 200,000 man hours worked in May and June 2014. In response there was a focused campaign to reinforce the Company's values on safety, to bring it to the forefront of everyone's thinking in how they approach every task, and to ensure protocols for recognising and dealing with unsafe work were being rigorously implemented. This has resulted in the December 2014 LTIFR dropping to 0.37, which compares favourably with South African mineral sands peers and is ahead of our target. At the end of the year, the Mine had achieved seven consecutive months without a Lost Time Injury.

The Mine is subject to an annual risk assessment conducted by IMIU, an insurance underwriter whose risk assessments are relied on by other underwriters in the market. Of 61 risk reduction recommendations made by IMIU from 2008 to 2013, only two remain outstanding and will be closed out in the near future. As a result, the Mine scored 81.7% for the adoption of risk reduction measures in 2014, better than 85% of other operations surveyed by IMIU to date in terms of risk reduction. Continued risk reduction activities by the management and team at the Mine are improving the insurability of the operation.

Mining

For the full year, ore mined was up by 42% year-on-year to 34 million tonnes but, due to a drop in grade, Heavy Mineral Concentrate ("HMC") production was only up 13% to 1,287,300 tonnes. Utilisation rates for the year were 70.4%, compared with the forecast of 76%. Hence our objective for 2015 is to work on increasing these utilisation rates. A focused programme of organisational and management improvements has been put in place with the aim of reducing downtime and ensuring steady production.

Mineral processing

The Mineral Separation Plant ("MSP") processes HMC produced by the two mining operations. It performed well through 2014. The ilmenite circuits were constrained by the availability of HMC in the first half of the year and in the last quarter of the year by a decision to align the production of final products with shipments, instead producing an intermediate product for processing at a later stage.

Despite the decision to restrict the output of ilmenite, production was up 19% year on year. Total ilmenite production at 854,600 tonnes in 2014 was lower than the anticipated range of 900,000 to 1,000,000 tonnes.

However, if it had not been for market conditions which led to our decision to produce the intermediate product in the MSP, the outcome would have been within the lower end of the target range.

Zircon production for the full year was 50,800 tonnes, which represented a 62% increase on 2013. In addition there was and an improvement in quality with a higher proportion being primary zircon. Recovery rates finished the year at 63% against a forecast of 71%. Several projects have been scheduled for 2015 to improve zircon and rutile recovery.

Operating cost

Management have been focusing on operating costs, with particular emphasis on labour costs which in 2014 represented 31% of cash operating costs. In 2015, the Company initiated a process for retrenchment. After tripartite discussions with the Ministry of Labour, the Union, and management, agreement was reached for reductions in shift allowances and we were able to reduce retrenchments from a target of 350 people to 162 people while saving US$12.5 million per annum compared with forecast. This was an excellent example of the Company, the Union and Government working together to get the optimum outcome in a very difficult situation.

Every aspect of the business was examined to reduce costs. This, together with increased volumes, has contributed to a reduction of unit cash costs in 2014 and allows us to expect significant further unit cost reductions in the coming years.

Electricity supply

Last year we reported several issues relating to our electricity supply experienced in the southern hemisphere summer months. These revolved around frequent dips in voltage caused by lightning from electric storms earthing through the transmission pylons, and network capacity constraints during this period of peak demand.

Kenmare has responded to the voltage fluctuation issues by installing a set of diesel-powered generators that provides sufficient power to operate the MSP independently of grid power. The MSP is more sensitive to power fluctuations and takes longer to re-establish stable operations after a dip-induced stoppage. This is especially true of the zircon circuits, which operate at high temperature and require several hours to recover their temperature after an outage. The operating plan was therefore to operate these generators from mid-December and run the MSP on stable power during the summer months, relying on the mining plants' better ability to recover from interruptions and a HMC stockpile established in front of the MSP to ensure continuous running.

Separately, EdM has installed temporary diesel-powered generators to inject additional supply into the grid for the peak summer months. Hence we approached this summer with much more confidence that we would be able to produce steadily through it than we had been for several years. Indeed, production in December 2014 was a record for that month with 85,000 tonnes of ilmenite produced.

However, in early 2015 there was a major storm which cut the electrical supply to the north of the country from 12 January to 7 February. This transmission line has never previously incurred a significant outage due to a weather related event in the 35 years of its operation. Immediately after the transmission line had been repaired, the line from Nampula to the Mine was put out of commission by another major storm; this line has only once experienced a three day outage since it was built in 2004.

We re-established the line with a temporary repair on 14 February, but since then there has been a third major storm knocking out the Nampula to Moma line again. This line has been repaired and was re-commissioned on 28 March. The effect of these outages was initially mitigated by shipping inventory, bringing forward maintenance and using the diesel generators to continue operating the MSP to process stockpiled HMC and accumulated intermediate magnetic concentrate. However, by the time the second and then third outages occurred, we had lower stockpiles available and have been less successful in mitigating their effects.

Despite the fact that these events were unprecedented, management is now considering what prudent actions it can take to prepare if such events should recur. Potential solutions include building a larger stockpile of HMC and increasing the capacity of our diesel generators, to be able to operate the Mine and the MSP. In the meantime, Kenmare continues to engage with senior EdM personnel on a regular basis. EdM is progressing with the development of a second major transmission line to the north and is on site with projects to enhance the capacity of the network to satisfy the growing demand from the north of the country.

Finance
A consequence of the low ilmenite prices being experienced is that the Company has needed to engage with its lenders to further restructure its debt obligations. Since the February 2014 Amendment described in the 2013 Annual Report, there have been further discussions since mid-2014 aimed at providing the Company with a stable platform both during this period of market weakness and for the future. Despite good intent on all parts, the complicated nature of the present debt structure has made progress slow. Nonetheless, I am pleased to say that we have agreed a debt restructuring.

The key terms of the debt restructuring include:

- The provision by the lenders of US$50 million in additional standby funding.
- Extension of debt maturities.
- Removal of most fixed amortisation requirements to be replaced with a cash sweep leaving a minimum balance of US$30 million in the Group.
- A requirement for deleveraging in the medium term.
- A lender-approved Non-Executive Director appointed to Kenmare's Board.

Market
The titanium feedstock and pigment industry went through another challenging year in 2014. Moderate growth in global pigment demand, estimated at around 3 to 4%, failed to translate into improved earnings performance for most pigment and feedstock producers. By mid-2014 there were some positive signs of improvement in market conditions with feedstock offtake stability returning as excess inventories were drawn down and pigment plant operating rates improved. However, feedstock buying behaviour remained cautious as higher pigment production and sales volumes were largely offset by deterioration in pigment prices in the second half of the year due to strong competition from emerging Chinese producers who aggressively grew their global market share in 2014.

The year was also characterised by new ilmenite supply entrants to the industry that added to the significant increase in Chinese domestic supply. This created a very competitive pricing environment for ilmenite resulting in progressive downward pressure throughout 2014. China remains the main driver of the ilmenite market given its import dependence and strong ilmenite consumption growth in the past five years as pigment production rates expanded rapidly. While pigment production in China was reported to have grown by an estimated 15% in 2014, the growth in demand for feedstock was captured mostly by increased domestic supply, generated as a by-product of iron ore mining, which further displaced imported ilmenite volumes.

However Chinese ilmenite supply is under pressure due to the impact on declining iron ore production as cheaper, better quality, imported material displaces domestic production. Iron ore prices are down by over 50% in the past 12 months and the outlook is for further price erosion as steel demand in China is slowing and significant new iron ore supply outside of China enters the market. Chinese ilmenite is produced principally as a by-product of iron ore mining and from the reprocessing of tailings produced from these operations. Since early February 2015, there has been evidence that a number of producers have either reduced or suspended production, which would be expected to materially reduce supply in 2015. Kenmare expects further Chinese ilmenite supply to come out of the market in the coming months as the market environment continues to deteriorate for these iron ore producers. This has yet to impact on the market supply/demand dynamics as pigment plants operated at low rates over the winter and the Lunar New Year period and inventories need to be worked down, but this supply reduction should become evident in the coming months. Meanwhile supply of ilmenite, and of concentrates for reprocessing, from other regions, notably Vietnam, is also expected to decline further in 2015 due to poor mining economics.

On the demand side, higher pigment plant operating rates and significantly increased demand for ilmenite from new slag producers in China and the Middle East will also have a major impact on the ilmenite supply/demand balance in 2015. Furthermore, some existing slag producers outside of China have entered the market to buy ilmenite, which will absorb significant additional volumes from the market.

Kenmare continued to grow ilmenite sales, with ilmenite sales volumes increasing by 16% in 2014. We expect further sales volume growth in 2015. Kenmare is now well positioned as a premium supplier to the global pigment industry as well as a key supplier to producers involved in beneficiating ilmenite to higher grade feedstock. As the chloride pigment production sector in China emerges and grows in the coming years, Kenmare is in a strong position to capture this growth through sales of ilmenite to Chinese titanium slag producers. In the main, Chinese ilmenite is not suitable for upgrading to chloride slag and therefore the Chinese titanium slagging industry is dependent on imports to support production. Kenmare ilmenite has been approved as the preferred feed for some of these plants.

Zircon market conditions were stable in 2014 with some modest growth. However, demand conditions continued to vary regionally, with strong first half conditions in China, North America and parts of South America, while demand in Europe showed little improvement throughout 2014 as construction activity and tile production in the large zircon consuming markets of Spain and Italy remained depressed. There was some modest weakening of zircon prices earlier in the year but this was followed by stability as the supply/demand balance became more evident.

Kenmare was well supported by an established zircon customer base in 2014 and sold all its zircon volumes. Our expectation is for further modest global demand growth and for tightening market conditions to emerge as the year progresses.

Outlook

Kenmare is now the largest supplier of internationally traded ilmenite in the world; and as production levels continue to increase the Mine will return to a lower cost position on the cost curve. We are confident unit costs can be reduced further as we continue to deliver cost savings. Our expansion has now bedded in and, despite being hampered with electricity supply issues in the early part of the year and having to reduce output for market related issues in the latter part of 2014, ilmenite output was up 19% and zircon output up 62% in 2014.

This has all been done against a backdrop of falling product prices for more than two years. However, demand for titanium pigment continues to grow while the large drop in iron ore prices endangers a substantial proportion of global ilmenite supply, as most of the ~3.5 million tonnes produced in China is a by-product of mining high cost iron ore.

Iluka Resources Limited has expressed an interest in acquiring Kenmare and our management teams have been working together to complete a due diligence process. However, there can be no certainty that a transaction will be completed.

Kenmare is strongly leveraged to a recovery in the ilmenite price, which we expect to begin in the near future as a result of the Chinese iron ore phenomenon and increased demand from titanium slagging plants in the Middle East, China and elsewhere.

Finally, I would like to express my thanks and appreciation to all the staff at Kenmare, who have shown great commitment and tenacity in assisting the Company through what has been a challenging year. I look forward to continuing to improve our safety and operations performance in 2015.

Michael Carvill
Managing Director

KENMARE RESOURCES PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 US$'000	**2013 US$'000**
Revenue	174,317	137,868
Cost of sales	(173,366)	(113,733)
Gross profit	951	24,135
Other operating costs	(32,415)	(19,474)
Impairment loss	(64,762)	-
Operating (loss)/profit	(96,226)	4,661
Finance income	6,314	299
Finance costs	(34,852)	(40,535)
Foreign exchange gain/(loss)	24,113	(6,512)
Loss before tax	(100,651)	(42,087)
Income tax charge	(143)	(2,033)
Loss for the year and total comprehensive income for the year	(100,794)	(44,120)
Attributable to equity holders	(100,794)	(44,120)

	Cent per share	Cent per share
Loss per share: Basic	(3.62)	(1.71)
Loss per share: Diluted	(3.62)	(1.71)

KENMARE RESOURCES PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	2014 US$'000	2013 US$'000
Assets		
Non-current assets		
Property, plant and equipment	865,217	967,110
Deferred tax asset	-	143
Other receivables	1,021	-
	866,238	967,253
Current assets		
Inventories	62,452	44,196
Trade and other receivables	27,118	19,241
Cash and cash equivalents	21,795	67,546
	111,365	130,983
Total assets	**977,603**	**1,098,236**
Equity		
Capital and reserves attributable to the Company's equity holders		
Called-up share capital	225,523	225,523
Share premium	431,380	431,380
Retained losses	(115,032)	(14,238)
Other reserves	22,896	21,547
Total equity	564,767	664,212
Liabilities		
Non-current liabilities		
Bank loans	261,634	157,377
Obligations under finance lease	743	1,158
Provisions	21,624	22,423
	284,001	180,958
Current liabilities		
Bank loans	76,040	197,802
Obligations under finance lease	415	350
Provisions	2,387	548
Other financial liability	520	5,851
Trade and other payables	49,473	48,515
	128,835	253,066
Total liabilities	412,836	434,024
Total equity and liabilities	**977,603**	**1,098,236**

KENMARE RESOURCES PLC
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 US$'000	2013 US$'000
Operating activities		
Loss for the year before tax	(100,651)	(42,087)
Adjustment for:		
Foreign exchange movement	(24,113)	6,512
Share-based payments	1,349	551
Finance income	(184)	(299)
Finance costs	34,852	31,268
Depreciation	40,850	24,344
Impairment loss	64,762	-
(Decrease)/increase in other financial liability	(5,331)	5,851
Increase/(decrease) in provisions	528	(199)
Operating cash flow	12,062	25,941
Increase in inventories	(18,256)	(21,774)
(Increase)/decrease in trade and other receivables	(7,532)	16,505
Increase/(decrease) in trade and other payables	1,780	(12,064)
Cash (used in)/from operations	(11,946)	8,608
Interest received	184	299
Interest paid	(7,046)	(7,549)
Net cash (used in)/from operating activities	(18,808)	1,358
Investing activities		
Addition to property, plant and equipment	(5,187)	(82,661)
Net cash used in investing activities	(5,187)	(82,661)
Financing activities		
Proceeds on the issue of shares	-	106,058
Expenses on the issue of shares	-	(4,103)
Repayment of borrowings	(13,001)	(32,395)
(Decrease)/increase in borrowings	(8,268)	32,713
Payment of obligations under finance leases	(560)	(560)
Net cash (used in)/from financing activities	(21,829)	101,713
Net (decrease)/increase in cash and cash equivalents	(45,824)	20,410
Cash and cash equivalents at beginning of the year	67,546	46,067
Effect of exchange rate changes on cash and cash equivalents	73	1,069
Cash and cash equivalents at the end of the year	**21,795**	**67,546**

Detailed notes to the Financial Statements for the year ended 31 December 2014 are available in the 2014 Annual Report and Accounts.

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.

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.